

# Management Record

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## • In the Record •

### The Importance of Employee Communication

It is often said that we live in an age of communication. This applies not only to the broad scope of our public life, but to our private lives as well.

"The Place and Purpose of Employee Communication," explores the whats, whys and hows of communication, both horizontally and vertically, within companies. The article, on page 386, points out a new perspective on the subject, exploding a few myths in the process.

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### General Increases for Salaried Employees

The famous General Motors-UAW agreement of 1948—which provided for annual improvement increases and cost of living adjustments—has influenced many other contracts involving hourly workers since then. But what happens to salaried employees in companies having this type of agreement? Do they get similar adjustments? And if so, how do their raises compare with those of hourly employees?

"Salaried Employees and the GM-Type Agreement," on page 377, is a survey of how thirty-two companies with the GM-type agreement are dealing with their salaried employees.

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### New Slants in Sales Training

"Training Salesmen for Competitive Selling," based on the latest Conference Board survey, tells how 120 cooperating companies are currently preparing salesmen psychologically and technically to meet the problems of an approaching buyers' market.

Many companies, in addition to their regular sales schools, have developed refresher courses for experienced salesmen, and many have worked out techniques for checking up on the progress of "graduates." These training courses vary greatly in emphasis, scope and duration. For a comprehensive view of what's being done in sales training, turn to page 381.

### What Kind of Retirement?

What kind of responsibility does a company have toward a retired employee? Is it enough to give him a pension, some health insurance and a medal and bid him goodbye forever? Or is there a moral responsibility to see that an old employee makes a comfortable adjustment to the sometimes troublesome problems of retirement?

"A Look at Adjustment to Retirement," on the next page, surveys some of the views of cooperating companies on this subject.

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### Automobile Allowances

An apparent trend toward the leasing of company-owned cars to salesmen is revealed in a recent Conference Board survey, "Automobile Allowances for Salesmen." A year ago, 78% of the companies surveyed paid salesmen a mileage allowance for using their own cars. This year only 47% of the companies are continuing this practice.

There was little change in mileage allowances to salesmen over the year. The median for both years was seven cents. For a discussion of this and other allowances, see page 391.

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### Consumers' Prices Are Up Again

Consumers' prices continued to rise, according to reports in mid-August. The Conference Board index reached a new high of 182.7 (January, 1939=100). The most significant advance was the 0.1% in housefurnishings. This was the reverse of a downward trend that started in January of this year.

Employment in nonagricultural industries reached the highest level since 1950. This increase has been steady since February. More metal for civilian uses and an increase in consumer demand are cited as major factors. See page 400.

# A Look at Adjustment to Retirement

**G**ERIATRICS is getting considerable attention these days from representatives of government, and the social and medical sciences. Industry comes into the picture when it takes on the vexing problem of helping older people make a satisfactory adjustment to retirement.

A first question that industry faces concerns the desirability of company-sponsored programs of planning for retirement. Should industry feel any responsibility, moral or otherwise, for the personal adjustments of its retired employees? The following statements by personnel directors represent different points of view.

The first director explains his company's extensive program by saying:

"The problems of retirement began when America moved from the farm to the city. . . . Our way of living has changed, but people haven't. . . . They still grow old, and their problems in their declining years now constitute a challenge to American industry . . . a challenge we cannot disregard, and with a solution that we *must not* place into the hands of government. . . ."

Another personnel director says:

"... it is tremendously important to us, from the standpoint of public relations if for no other reason. . . . The finest by-product of helping employees to plan for their old age is that it makes them happier, more productive people right now."

But the third raises some objections:

"We provide a retirement income, continued life insurance . . . hospital and surgical insurance . . . counseling and visiting nurse service . . . information about the affairs of the company and the like for retired employees. . . . They frequently visit home departments . . . and attend honorary assemblies. These steps all seem reasonable and profitable portions of an over-all personnel program.

"I raise the strongest objection, however, to the implication that industrial management should be held responsible for developing hobbies, recreation, and 'a happy life' for retired employees, any more than . . . for investigating active employees to determine whether they make constructive use of their own time, and, if not, do it for them. I also object to the implication that by paying an individual fairly for services rendered, an industrial con-

cern acquires any greater responsibility to shield a citizen from the rigors of personal life than you personally assume responsibility to the corner grocer who has served you for years, the physician who has treated you, or the handyman you have employed."

Other objections often cited are reluctance to incur the employee's resentment of the company's interference with his private life, and the possibility of "scaring him to death" with all this talk about how the retirement goblins will get you if you don't watch out.

Opinion as to the desirability of a preparation-for-retirement program is apparently quite evenly divided, at least among large companies. Of the seventy co-operating companies in a 1951 survey (the questionnaire was sent to the 113 largest corporations in the United States), 37 per cent have some type of program and an additional 15 per cent are conscious of the need for one.<sup>1</sup>

How these programs work out in practice is another question companies seek to answer before adopting a plan. Are the existing programs really producing happier, better-adjusted pensioners? Up to now the answer had to be, "It's too early to tell." But the initial period of retirement-preparation is over, and the testers and measurers are beginning to move in. Companies are evaluating their own programs. And universities and research organizations are undertaking surveys to determine what conditions, both before and during retirement, have an important bearing on the life of the retired person.

Cornell University, under a grant from the Lilly Endowment, Inc., of Indianapolis, has just inaugurated a seven-year study of the effects of occupational retirement on a cross section of employees in industry, business, education, and the professions all over the United States. One factor to be measured is the employee's pre-retirement planning, or lack of it.

The results of another survey, conducted among 483 retired men in the Cleveland area by Special Surveys, of Cleveland, appeared early in 1952. These findings have occasioned considerable stir because they seem to explode many widely-held theories concerning the

<sup>1</sup> Sponsored cooperatively by the Institute of Adult Education and the Institute of Psychological Research, Teachers' College, Columbia University. Jacob Tuckman and Irving Lorge, "Retirement Practices in Business and Industry," *Journal of Gerontology*, Vol. VII, 1 (January, 1952), p. 77.

basic elements that contribute to successful retirement. Factors which were found to be unrelated to a man's attitude toward retirement were: hobbies, length of time since retirement, television and place of birth (American or foreign born). Certain conditions rated somewhat but not very important were: occupational level, age at retirement, current interest in politics and religion, and living within pension and Social Security income. Planning for retirement, when started a year or more ahead of time, seemed somewhat important. But if started later, planning appeared to be totally unrelated to successful retirement.

If later surveys bear out these findings it is possible that many companies will change their minds about adopting retirement-adjustment programs. The scope and content of the programs may likewise be drastically modified. Of course no one can predict the future of these programs, but here is the way the picture looks at present.

It is difficult to say how many programs are in effect, partly because of the scarcity of data and partly because of the many interpretations of the term "program." Some companies believe they have a program, when they merely hand a pension booklet to employees. Other companies will say that they have no program, or an informal one, when in fact they are doing a comparatively extensive amount of counseling.

A few clues as to the prevalence of these plans exist, however, and there is some indication that more companies are adopting them. A 1950 Equitable Life Assurance Society questionnaire asking 355 companies whether they had any formal or informal programs of indoctrination and preparation for retirement drew forty-six affirmative answers—about 13 per cent. The Tuckman and Lorge survey of seventy of the largest companies found that 37 per cent had some sort of retirement-adjustment program. A survey of 657 companies of all sizes found 53.6 per cent saying they had a pre-retirement counseling program. Only 8.2 per cent, however, said that their program consisted of at least two interviews with the first occurring not later than one year before retirement.<sup>1</sup>

The pre-retirement counseling programs may consist almost entirely of financial and medical advice, or they may cover a great variety of subjects. Sixty-nine per cent of the programs reported in the Tuckman and Lorge survey include financial advice and 62 per cent cover insurance and medical care. Thirty-five per cent deal with preventive medicine, and 35 per cent with leisure and recreation. Thirty-one per cent do something about social contacts, 19 per cent consider housing and living arrangements, 12 per cent take up the problems of family adjustments, and 12 per cent in-

clude additional miscellaneous items. As to media, 4 per cent use the employee magazine alone, 4 per cent use the employee magazine plus group discussion, 46 per cent go in for individual counseling, 19 per cent use the employee magazine along with individual counseling, and 12 per cent employ a combination of individual counseling and group discussion plus the employee magazine.

This survey covers only the area of pre-retirement planning. Almost equally important, many companies feel, are personal post-retirement contacts between the company and its pensioners. Many companies open new channels for these contacts and see to it that they are frequent and friendly. Some companies have established clubs for retired employees. Others have set aside special club rooms or workshops for them. Some companies give their pensioners lifetime passes to the plant—sometimes including the cafeteria. In some companies personnel people visit pensioners regularly. Many companies keep them on the mailing list for employee publications, and some send birthday and Christmas greetings. Continued use of the company's medical facilities is an important feature of some programs.

THE CONFERENCE BOARD has in its files material on the adjustment-to-retirement activities of about thirty companies. The programs described below were selected because they involve either individual or group counseling under the guidance of trained personnel and because in most cases they have some distinguishing feature.

Among programs using the group-discussion approach to planning for retirement, perhaps the most highly developed is that of the Esso Standard Oil Company (described in the *Management Record* for April, 1951).

The seminar method also formed the basis for a short course in retirement planning conducted early in 1952 under the auspices of an employee club of the Detroit Edison Company. The course was under the direction of a representative of the University of Michigan's School of Human Adjustment. Eight two-hour sessions were held, one week apart. Employees aged fifty-five to sixty-five attended voluntarily and on their own time. Fifty employees and thirty of their wives enrolled.

The first session of the Detroit Edison course was devoted to the biological and sociological aspects of aging, the second to the psychological aspects. The themes of the remaining six meetings were mental health, physical health, nutrition, income maintenance and financial security, where to live after retirement, and use of leisure time (this final session was celebrated with a participants' hobby show). Authorities in each field addressed the meetings, using films and recordings, but the emphasis was on group discussion

<sup>1</sup> Edwin Shields Hewitt and Associates, "Company Practices Regarding Older Workers and Retirement." Libertyville, Illinois, 1952.

and some time was left over after each session for individual consultation.

Afterwards Detroit Edison followed through with an evaluative questionnaire, "Did the course change your previous thinking about retirement?" Out of forty-eight replies, thirty-seven said yes. Nineteen employees out of forty-six reporting said that after attending the course they had begun taking positive steps to prepare for retirement.

The findings of this questionnaire have not been fully analyzed, and Detroit Edison has not yet decided whether to continue the experimental program. In the meantime the company will continue its informal individual counseling.

A large food-processing company is also using the group-counseling method in its pre-retirement program. The company decided on this approach because "very often people will speak more freely in a group. . . . Furthermore, older persons prefer to be in the role of givers rather than receivers of information."

Under this plan each group consists of about ten employees. Half of each meeting is on the company's time, the other half on the employees'. Consultants on employee benefits, social security, and medical care are present, and participants may arrange for individual interviews.

All employees invited to participate have been eager to do so, and participants' comments have been very favorable. The company feels that so far it has merely "scratched the surface," and plans ultimately to begin the program five or even ten years before retirement, instead of one year as at present.

The groups which meet under the sponsorship of the Prudential Insurance Company's counseling center are composed partly of retired Prudential employees and partly of those soon to retire. One topic of discussion is the company's policy toward retired employees—a vice-president sits in on this session. As a result, retirement forms and certificates are being revised in accordance with some of the group's suggestions, and other long-range steps are being planned.

Individual counseling, however, is still the basis for most of the preparation-for-retirement programs. While most of the informal plans are of this nature, it is possible to develop a highly-organized plan based on individual counseling. The McCormick Company, of Baltimore, is an example.

An important feature of the McCormick plan is that it goes into operation five years before the employee's normal retirement. In an informal meeting—usually over a cup of coffee—a member of the company's human relations department discusses the Social Security provisions and company benefit plans which will apply to the employee on retirement. The company's desire to help him find pleasurable or prof-

itable outside activities is brought out. A similar interview takes place three years later. A year later, one year in advance of normal retirement, the employee gets a letter giving his exact retirement date and a detailed list of benefits. The letter is delivered personally by the director of human relations; the employee's supervisor is also present. At this interview the company's representative tries to find out what plans the employee has developed and what the company can do to help him carry them out. This might take the form of helping him to find a part-time job, or to plan and work out the cost of any extensive traveling he may want to do before settling down to retirement. Any arrangements thus made between the employee and the McCormick Company are confirmed at a fourth interview held three months before retirement.

At the regular monthly employees' meeting immediately preceding retirement the employee gets public recognition from McCormick's president—usually a gold merit-award pin with a precious stone. He also gets an informal letter from the factory's board of directors. Thirty days later, after retirement, he receives a more formal "good luck and best wishes" letter from the president and the senior board of directors.

The McCormick Company keeps in touch with its retired employees by inviting them to at least one social function annually, by making its visiting nurse service available, and by sending a representative around to chat with them at least once a year.

The Allis-Chalmers Company's retired employees are visited four or five times a year by company representatives. The retirement counseling service is made available to them just as it was in their pre-retirement days. They can get advice on hobbies, travel, community activities, finances, health, and post-retirement relations with public agencies as well as the company. The company takes a strong interest in its retired employees' club, and the recreation pro-

(Continued on page 411)

### Kansas State Voting Law

Any person entitled to vote in the state of Kansas is, by law, entitled to two hours off from work between the opening and closing of polls. The law specifies no deduction in usual salary or wages for such time. However, the employee must make application for such time off prior to election day, and the employer may specify the hours of absence. The tabular analysis of state voting laws in the September *Management Record* (p. 368) neglected to include these pay provisions of the Kansas law.

## Salaried Employees and the GM-Type Agreement

**T**HE GENERAL MOTORS-UAW collective bargaining agreement of 1948 has had widespread influence on the wage and salary practices of other companies. Most of the major units in the automobile and parts industry have also signed agreements which provide for annual improvement or productivity increases and cost of living adjustments. Even some companies in unrelated industries—textiles, chemicals, glass and others—have adopted these two features of the GM agreement. In the majority of these agreements, all hourly employees receive productivity increases of 4 cents plus a 1 cent an hour increase for every 1.14 point rise in the consumers' price index.

But when a company gives a general increase to the hourly employees, it cannot very well ignore the white collar workers who look for corresponding increases. Do these increases tend to be larger, smaller, or the same as those given hourly workers?

THE CONFERENCE BOARD has just completed a survey of thirty-two companies to learn how they treat salaried employees as compared with the hourly workers. All of these companies give productivity increases and cost of living adjustments to the hourly workers. The following is a summary of their practices with respect to their salaried employees.

### INDIVIDUAL CONSIDERATION

A quarter of the thirty-two companies that give both productivity and cost of living adjustments to the hourly group give *neither* to the salaried employees. These eight companies follow the practice of compensating for productivity gains and rises in living costs by means of increases based on individual consideration of the merits of the employee. In the words of the president of one company with 2,500 employees:

"It has been our practice and policy not to tie our salaried employees in with our hourly rated employees. However, we have tried to see that our salaried and office employees are treated as well as factory employees.

"At least twice a year we review the record and file of each salaried employee and we try to give a raise based upon merit, length of service and cost of living. We try to treat each salaried employee as an individual, rather than dealing with them as a group, and to raise and promote on an individual basis. We are small enough to be able to do this, which might not be possible with some of the larger companies. We are careful, however, to see

that all office employees get raises which will at least match the cost of living and improvement factor that the hourly rated employees get."

### PRODUCTIVITY INCREASES

The other twenty-four companies all give across-the-board cost of living allowances to salaried employees, and all but one also give across-the-board productivity increases. In the case of the single exception, employees are given merit increases on an individual basis in lieu of a general increase. Details of the practices of these twenty-four companies are shown in Table 1.

**Timing**—The twenty-three companies that give a general increase to salaried employees, in every case put the increase into effect the same or practically the same date as for the hourly group.

**Amount of Individual Increase**—The method of determining the amount of individual productivity increases in the twenty-three companies varies considerably. Nine companies give identical increases to all salaried employees—in most cases \$7 a month. Six companies give the salaried employee a certain percentage of base salary. Seven have sliding scales or other methods which, like the percentage formula, give larger dollar amounts to the higher-paid salaried employees. Finally, one company gives a percentage increase to nonexempt employees; exempt employees have their rate ranges boosted by the same percentage, but receive merit increases instead of a general increase.

**Eligibility**—Two companies report that they extend the productivity increase formula to include top-level executives. Others exclude all exempt employees. Some companies specify that employees earning over a certain salary are excluded. The figures range from \$3,474 to \$22,500; the median is \$8,500.

**Denials**—Most of the companies grant productivity increases to all employees covered by their formula, without exception. Two companies, however, deny increases to employees receiving in excess of the maximum of their position; and one of these also occasionally denies productivity increases to non-meritorious cases.

**Table 1: "Productivity" Increases for Salaried Employees in Twenty-four Companies**

Industry	Amount of Increase for Hourly Employees	Salary Increase Effective Same Date	Formula for Salaried Employees		Upper Limit of Eligibility (Annual Rate)	Ineligible	Denials
1. Automotive	4 cents	Yes	\$7 per mo.		\$7,824	Employees over \$7,824 do not receive productivity, cost of living, or extended work-week pay	None
2. Automotive	4 cents	Yes	<i>Monthly base rate</i> Less than \$250 \$250—\$49 \$350—449 \$450 or more	<i>Increase</i> \$7.50 \$10 \$12.50 \$15	\$9,000	Executive payroll	None
3. Automotive	4 cents	Yes	3% or \$7 per mo, whichever is greater		\$7,800	Eligible under supplemental compensation plan	None
4. Automotive	4 cents	Yes	Nonexempts: \$1.60 per week Exempts: 1.856% (derived by dividing 4¢ by hourly equivalent of the minimum rate of the lowest exempt salary grade)		—	Company officers	Over-the-maximum employees
5. Automotive	4 cents	Yes	<i>Monthly base rate</i> Less than \$250 \$250—\$49 \$350—449 \$450—824	<i>Increase</i> \$7.50 \$10 \$12.50 \$15	\$9,900	—	None
6. Automotive	4 cents	Yes	\$7 per mo.		\$7,200	—	None
7. Automotive	4 cents	Yes	2.5% of monthly salary, rounded to nearest dollar		\$7,200	Nonclassified employees	None
8. Automotive	4 cents	Yes	\$7 per mo.		\$7,200	Eligible under supplemental compensation plan	None
9. Automotive	4 cents	Yes	\$1.60 per wk.		—	Supervisory	None
10. Machinery	4 cents	Yes	<i>Monthly base rate</i> \$135—249 \$250—\$49 \$350—499 \$500—624 \$625 and over	<i>Increase</i> \$6.92 \$ 8 \$11 \$15 \$20	—	Company officers; commission employees	None
11. Machinery	4 cents	Yes	\$7 per mo.		—	Exempts	—
12. Machinery	4 cents	Yes	\$7 per mo.		\$3,474	Nonclassified employees	None
13. Machinery	4 cents	Yes	3%		\$8,750	Certain organization level	None
14. Machinery	3%	Yes	3%		—	None	None
15. Machinery	4 cents	Yes	Nonexempts: 2.5% Exempts: rate ranges raised 2.5%; merit increases		\$8,500	Random rate positions	None
16. Metal products	4 cents	Yes	2.5% or \$7, whichever is greater		\$12,000	Company officers; sales executives	None
17. Metal products	4 cents	No	Merit increases		—	—	—
18. Metal products	4 cents	Yes	\$1.60 per wk.		—	Exempts	None
19. Nonmetal manufacturing	4 cents	Yes	\$7 per mo.		\$9,000	Nonclassified employees	None
20. Nonmetal manufacturing	5 cents	Yes	3%; min. \$10, max. \$21 per mo.		—	None	None
21. Nonmetal manufacturing	3 cents	Yes	\$5 per mo.		\$7,200	Participants in management incentive or sales bonus plan	None
22. Other manufacturing	4 cents	Yes	Nonexempts: \$1.60 per wk. Exempts: 4.6%		\$22,500	Executives	None
23. Other manufacturing	4 cents	Yes	2.5%, rounded to nearest dollar		—	Top management	None
24. Other manufacturing	4 cents	Yes	2.3%		\$8,500	Eligible for executive bonus	Over-the-maximum employees; in a few cases, for merit

**Table 2: Cost-of-Living Adjustments for Salaried Employees in Twenty-four Companies**

Industry	Salary Increase Effective Same Date as Hourly Increase?	Formula for Salaried Employees (Adjustment per One-cent Change in Hourly Rates, Except as Otherwise Indicated)	Upper Limit of Eligibility (Annual Rate)	Ineligible	Separate or Regular Paycheck	Paid
1. Automotive	Yes	\$1.73 per mo., rounded to nearest dollar	\$7,824	Employees over \$7,824 do not receive productivity, cost-of-living, or extended work-week pay	Regular	Regular payday
2. Automotive	Yes	\$5 per quarter	\$9,000	Executive payroll	Separate	End of quarter
3. Automotive	Yes	\$5.25 per quarter	\$8,500	Eligible under supplemental compensation plan	Regular	End of quarter
4. Automotive	Yes	0.464% per one-cent hourly change (percentage derived by dividing 1 cent by hourly equivalent of the minimum of the lowest exempt salary grade)	—	Company officers	Regular	Regular payday
5. Automotive	Yes	\$5.20 per quarter	\$9,900	—	Regular	End of quarter
6. Automotive	Yes	\$5 per quarter	\$7,800	—	Regular	End of quarter
7. Automotive	Yes	\$1.73 per month	\$7,200	Nonclassified employees	Regular	Regular payday
8. Automotive	Yes	\$5.20 per quarter	\$7,200	Eligible under supplemental compensation plan	Separate	End of quarter
9. Automotive	Yes	\$1.73 per month	\$5,200	Exempts	Regular	Regular payday
10. Machinery	Yes	\$1.73 per month	—	Company officers; commission employees	Regular	Regular payday
11. Machinery	Yes	\$1.73 per month, rounded to nearest dollar	—	Exempts	Regular	Regular payday
12. Machinery	Yes	\$1.73 per month	\$7,200	—	Regular	Regular payday
13. Machinery	Yes	\$1.73 per month	\$7,176	Exempts	Regular	Regular payday
14. Machinery	Yes	1% for each 1% change in consumers' price index	—	None	Regular	Regular payday
15. Machinery	Yes	1% for each 1.6 point change in consumers' price index	—	None	Separate	End of quarter
16. Metal products	Effective when there is a cumulative change of 4 cents in hourly rates	2.5%, or \$7 per month, whichever is greater, for every 4 cents cumulative change in hourly rates	\$12,000	Company officers; sales executives	Regular	Regular payday
17. Metal products	Yes	Nonexempts: \$0.40 per week Exempts: Same percentage change as nonexempts	\$7,000	Monthly payroll	Regular	Regular payday
18. Metal products	Yes	\$0.40 per week	—	Exempts	Regular	Regular payday
19. Nonmetal manufacturing	Yes	\$5 per quarter	\$9,000	Nonclassified employees	Regular	End of quarter
20. Nonmetal manufacturing	Yes	Percentage derived by dividing consumers' price index by average hourly rate. Percentage changes from quarter to quarter. Min. \$90, max. \$340 per quarter	—	None	Separate	End of quarter
21. Nonmetal manufacturing	One month later	Nonexempts: \$1 per month for each 0.65 point change in index Exempts: Percentage equal to percentage change in index	\$7,200	Participants in management incentive or sales bonus plan	Regular	Regular payday
22. Other manufacturing	Yes	Nonexempts: \$0.40 per week Exempts: 1.4%	\$22,500	Executives	Regular	Regular payday
23. Other manufacturing	Yes	0.6% for each one point change in index	—	Top management	Regular	Regular payday
24. Other manufacturing	Yes	1% for each 1% change in index	\$8,500	Eligible for executive bonus	Regular	Regular payday

## COST OF LIVING ADJUSTMENTS

By the terms of the General Motors agreement, every hourly employee receives an allowance of 1 cent per hour for each rise of 1.14 points in the consumers' price index. Correspondingly, a fall of 1.14 points in the index automatically results in a 1-cent cut in the allowance.

The majority of companies that have signed GM-type agreements use this same 1-for-1.14 formula, although in a few cases the amount of change in the index required to touch off a 1 cent wage change is slightly larger or smaller than 1.14. Generally, however, the hourly employees of these companies receive the benefit of a cost of living adjustment under the same conditions and of the same amount as the hourly paid GM employee.

However, there is much less uniformity in the way the rates of the salaried employees of these companies are adjusted for cost of living. Variations in practice may be found in the timing of the salary adjustments, in the determination of the amount of individual allowances, in the eligibility requirements, and in the way the allowance is paid out. Details of the practices of the twenty-four companies are shown in Table 2.

**Timing**—In extending the cost of living principle to their salaried employees, all but two of the twenty-four companies make the adjustments for hourly and salaried employees simultaneously. In practice, this usually means that the effective date of the adjustment for the employee on the weekly payroll is the first Monday of the calendar quarter for which the adjustment is made, while the employee on the monthly payroll gets his adjustment effective the first of the month.

**Amount of Individual Adjustment**—The practices of the twenty-four companies differ most widely in their methods of determining the amount of cost of living adjustment to be given to each salaried employee. Fourteen companies give a flat amount, each employee receiving the same adjustment; six companies give a percentage of base salary, with higher-paid employees getting larger amounts than those with lower pay; and four use a combination flat-amount-and-percentage formula.

Of the fourteen companies paying flat amounts, ten give the exact equivalent of the hourly employee's cent-an-hour adjustment—that is, 40 cents a week, or \$1.73 a month, or \$5.20 a quarter, depending on the payroll period. Four other companies also use a flat formula, but round off the \$5.20 a quarter figure—three to \$5 and one to \$5.25.

Six companies grant a percentage of base pay as a cost of living allowance to salaried employees. Thus employee A with twice the base salary of employee B gets twice the allowance.

Four companies grant a flat amount to the non-

exempt or lower-salaried employees, and a percentage of base salary to the higher-salaried group.

**Eligibility**—Three out of the twenty-four companies report that they pay the cost of living adjustment allowance to all salaried employees, right up to the top. Most exclude one or more levels of executive or supervisory employees. Some exclude only company officers; others exclude all employees exempt under the Fair Labor Standards Act. In some cases where the company has an executive bonus plan, all employees eligible to participate in that plan are barred from receiving a cost of living adjustment.

In many of the companies, the upper limit of eligibility is fixed in terms of annual salary. Sixteen companies report that eligibility in their plans cuts off at figures varying from \$5,200 to \$22,500. The median value is \$7,812.

**Method of Disbursing**—Eight companies pay out the cost of living allowance at the end of the quarter during which the allowance is in effect. Four of the eight issue separate pay checks; the other four include the payment on the last regular pay check of the quarter.

The remaining sixteen companies pay out the allowance each regular payday, including it as a separate item on the pay check.

HERBERT S. BRIGGS

*Division of Personnel Administration*

## Personnel Briefs

### G.E. Workers to Vacation Abroad

Two escorted European tours, a fifteen-day and a twenty-two day spin, are being planned for employees of the General Electric Company for August, 1953. The Elex Club, women's social and recreational association at the Fort Wayne Division, is organizing the tours, but invitations will be extended to all other interested General Electric employees and their friends.

Trans-World Airlines and the American Express Company will transport the groups. Complete expenses for the trip to England, Holland, Germany, Switzerland, Italy and France, will be \$834 for the fifteen-day trip and \$977 for the twenty-two day trip.

### Piano Instruction at Ford

Ford Motor Company employees and members of their families can have group instruction in piano playing at reasonable cost as a part of that company's recreation program. For fifteen dollars they are offered a ten-week course which covers instruction in reading of music and correct playing technique.

# Training Salesmen for Competitive Selling

The Board's survey of 120 companies shows that attention is now being focused on sales training

**I**NTENSIFICATION of sales training and modification of training programs rank high among management's methods of meeting changing sales needs—according to the 120 cooperators in THE CONFERENCE BOARD's current survey of business practices. Emphasized most often by cooperators are these changes:

- Initiating new or additional training programs
- Changing length of training periods
- Providing closer field observation of new salesmen after training
- Improving teaching materials

Also considered important by many companies are these changes:

- Shifting emphasis in course content
- Broadening programs to provide background information on departments not directly related to sales
- Providing increased opportunity for individual participation and discussion during training sessions
- Arranging for cooperative training with suppliers and trade association members
- Increasing amount of refresher training
- Increasing emphasis on training instructors

Growing interest in the training of supervisory sales personnel is also listed by cooperators. These programs, however, are at present largely in the formative stage.

Training programs, of course, vary greatly in scope, duration and in the emphasis placed upon individual topics. These variations result primarily from the amount of product knowledge required and the nature of the trainee's eventual sales job.

## CURRENT TRAINING TRENDS

Few cooperators care to say which of the changes have proven most effective. But those who are specific mention longer training periods and closer field observation of salesmen most frequently. The most typical view, however, is expressed by a food company executive, who says: "It is not possible to determine which of these training tools is most effective inasmuch as each represents an important part of an integrated program."

## New Programs

Twenty-seven cooperators report initiation of new sales training programs during the last five years. In some instances firms that had not previously trained salesmen initiated such programs; in other cases the programs are designed to supplement existing training by providing intensive schooling in a limited area.

A metals producer, for example, has a basic training course lasting from twelve to eighteen months. But, in addition, the company has recently developed other programs covering individual product lines. An executive of the company writes:

"We have improved our sales training program by developing specific courses covering certain lines such as fabricated, plumbing, refrigeration, etc. In the case of refrigeration commodities, that course was developed to require one week of intensive training with complete verbal instruction as well as physical display. It is our intention to continue to add to this type of training."

An example of the way cooperators modify and improve training courses is provided by a manufacturer of heating and plumbing supplies. The company reports:

"Our postwar sales training program provided for six months intensive product training and six months field training for new salesmen. The program included regular classes, lectures, sales presentations, instruction and practice in making job layouts, writing job specifications, preparing quotations, and learning how to perform other functions of our salesmen.

"The course also included visits to our research laboratories and plants to see how our products are designed, developed, manufactured, and tested. And monthly refresher sales training classes for older salesmen were held at the sales offices. The programs for these meetings were carefully planned by the sales training department.

"We have constantly striven to improve this program, and within the past year we have equipped a special training school with all modern selling aids, including visual presentations with aids and film. The school has a laboratory where products can be assembled, tested, and studied. The course covers every phase in the selling of our products.

"In addition to product training, which was our basic program, these courses now include classes in public speaking, instruction on selling technique, and a well-defined program for conducting meetings in the field for dealers and salesmen of our wholesale distributors."

## Closer Field Observation

Closer field observation of new salesmen, cooperators report, is proving highly effective. In the first months following training, new salesmen may get discouraged. Usually, they have many questions. Close field observation and guidance ensures getting maximum benefits from the training program. As a building materials executive comments:

"The most effective single phase of the training program is the close field supervision of the program, plus actual experience gained by the trainees by being in on the installation of the products we manufacture."

## Length of Training Period

Ten cooperators report a lengthening of training periods to ensure complete coverage of needed information. According to one producer, "The period of training has been lengthened. We feel that a maximum of product information must be acquired during the 'home office' training. After field assignment, it is difficult and costly to bring a man back for this type of instruction."

And a food company executive says, in evaluating his firm's longer-training period: "It is our thinking that the combination of a more complete indoctrination, a longer training period and closer supervision have contributed to a more effective and efficient operation."

A shorter period, however, is reported by a manufacturer of instruments and controls as a result of revamping the training course to meet a special situation. He says:

"In the past few years our company has grown quite rapidly. With this growth it was found that more specialization in selling was needed. Consequently our training program was altered so that each salesman is trained specifically for one specialized branch of our products. This enabled us to cut our training program for new salesmen from fourteen weeks to ten weeks, and it has been successful in that our men are better informed in their particular selling field."

## Shifts in Emphasis

Several cooperators report shifts in training emphasis between product knowledge and sales techniques.

Companies that manufacture highly technical products especially tend to emphasize the need for ever-growing amounts of product knowledge. Typical is a steel executive who writes:

"It has always been our contention that in our field the sales representative who is well informed about his product, how it is made, and where it can be used to advantage, is in the best position to be of service to his customer.

"We, therefore, devote considerable time to the metallurgy of our various steels, their applications, and where and how to look for business which will not only benefit our company but do the customer a service as well.

"In competitive selling, there is no substitute for a well-informed salesman and after we have schooled him in the fundamentals of our products and applications, we then devote considerable time to periods of practice selling where the new salesman gets an opportunity to try out his newly acquired knowledge."

Other companies, however, are shifting emphasis to sales techniques. An oil company reports "a slightly increased emphasis on acquiring skill in the proper methods and techniques of selling." A specialized industrial machinery firm says: "We feel that our past training has been weak in salesmanship, and in the unusual applications of our machines—but satisfactory in basic knowledge of the machines as applied to standard usages. Therefore, we are shifting the emphasis gradually toward increased salesmanship training."

And a machine tool manufacturer says:

"Our factory training has been modified so that the underlying theme is 'selling.' It includes the use of sound slides in which typical sales situations are dramatized to contrast the right basic approach with the wrong."

An oil firm states that:

"We are placing increased emphasis upon 'what the salesman says' as a result of the training program. We find that it is quite easy to spend long periods in exposing salesmen to innumerable facts and selling methods and yet not force a sharp conclusion as to what the salesman should say in the selling situation. Therefore, we are trying to give primary emphasis to 'what to say' and 'what to do' in the selling situation."

## Improving Training Aids

Improvement of teaching materials is reported by ten firms. These range from development of product booklets and sales manuals through moving pictures and slide films. A steel executive, for example, enthusiastically reports increased use of these aids. He says:

"Each year we devote more and more time to the use of visual aids such as movies, slide films, etc., which we obtain from various industrial sources. We find these visual training aids particularly effective and plan to continue our program of expansion in this direction in future training programs."

A danger may exist, however, in the use of too much training material in that it tends to limit the amount of time available for discussion. An oil company executive outlines his firm's experience in the following:

"In a program as comprehensive as ours, where we sell a long line of products, we are finding that it is quite easy to 'oversupply' our training people with product information and other printed material, as well as films of various kinds. In some situations, this has caused us to spend too much of the training time in 'talking to the employee' and thus denying time for discussion and for them to 'tell it back to us' to check their understanding. This is a common difficulty in training programs, and we

do not believe that our difficulty is any worse than that found in other companies where a long line of products is sold."

### Broadening the Training Base

Wide variation exists in reported training programs as to the amount of time allotted to familiarizing trainees with the activities of departments not directly related to sales. Many firms at most familiarize trainees with order processing and billing procedures. Others, however, schedule relatively extended periods in nonsales departments. A chemical firm, for example, allots approximately seven days out of ninety-one for such departments. Its schedule includes office service, treasury, toxicological and medical, purchasing, credit, traffic, accounting, legal, foreign and patent departments. In describing this aspect of training, an executive points out:

"It is necessary for them to become acquainted with their business associates, to know about handling and billing of orders, to know something about production, research, credits, technical service, containers, district office operations, etc."

The subject matter of some training courses is being extended beyond product knowledge and sales techniques to include principles of business management.

An automobile and equipment company, for example, is planning greater emphasis on management's "control" tools. It reports:

"More emphasis has been placed on 'control' tools during the past three years. Both salesmen and dealer personnel want to learn more about the uses to which they can put financial statements. Not only do they want to read the accountants' figures with more understanding, but they also want to improve their insight into the causes and cures of imbalances."

### Greater Individual Participation

Many cooperators are working toward attaining greater individual participation by trainees. A greater proportion of on-the-job activities rather than classroom lectures is reported by several firms. Other companies report increased use of "role playing" and similar activities during classroom sessions. A building materials firm states: "The conference method has been introduced recently, and trainees attending weekly meetings are asked to conduct them in a manner similar to the way in which they would hold regular dealer meetings."

### Cooperative Training

Two firms report use of cooperative training with suppliers and trade associations. A foundry executive writes that his firm has undertaken "cooperative training with the manufacturers whose products we sell in addition to our own. A number of the suppliers who are represented in our merchandising program conduct

annual schools ranging from one to three weeks, and we supplement our own efforts with these organized classes."

Similarly a building materials firm is participating in a group of courses offered by the trade association:

"We have instituted some definite sales training during the past five years, whereas we had practically nothing prior to that time. Our training consists of meetings to which we invite sales representatives of companies whose product we sell and engineers from our trade association as speakers. To supplement this, each meeting we assign a subject to one of our own men to present to his fellow salesmen.

"We have also enrolled our salesmen in a forty-hour training course given by another trade organization."

### Increasing Refresher Training

Several cooperators report increased refresher training as part of the training program. In some cases experienced salesmen are given refresher courses. For example, a manufacturer of building materials states:

"This year for the first time we included two or three older men in the classes and expect to continue this practice on an even broader scale. We believe that many of the older men need to be 'reconditioned' to permit them to deal effectively with the tough selling time ahead."

Likewise the case of an oil firm, where special refresher courses have been established for experienced men. The company reports:

"We are continually training small groups of sales people from various sales areas by bringing them in to our manufacturing units and working intensely on product knowledge. This usually requires about two weeks annually. As you can see, by the time we have brought the representatives in from all the sales areas, it amounts to a year-round activity."

### Training the Trainer

Providing adequate training for instructors charged with conducting training programs is a major problem, many firms say. As a result, several firms report planning increased emphasis on training the trainer. An oil company executive describes the problem and his company's solution:

"We have a decentralized program carried out under the supervision of local management. It has proved important, therefore, to constantly emphasize the need for careful selection and adequate training of these specialists.

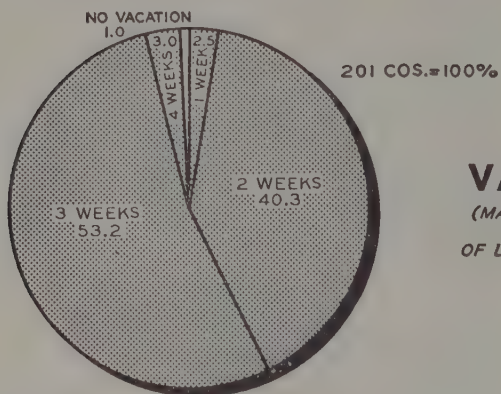
"Since the training position is regarded as an important one in our promotion sequence, there is much turnover in that position, which makes continuity more difficult in our training effort.

"Although this is some handicap in terms of the most efficient training, it is a splendid advantage in terms of giving future sales managers experience in training work and a good attitude toward it."

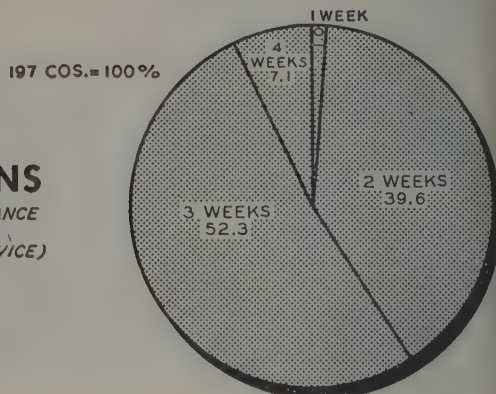
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# Time Off with Pay—

## HOURLY EMPLOYEES

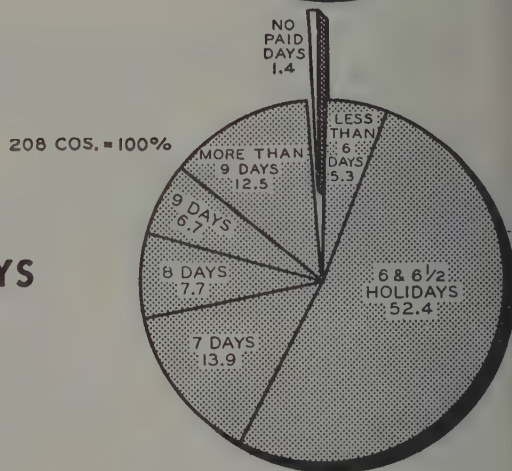
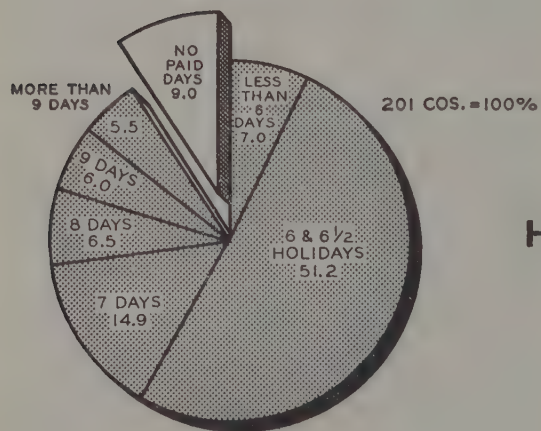


## SALARIED EMPLOYEES



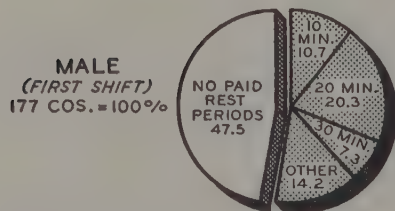
### VACATIONS

(MAXIMUM ALLOWANCE REGARDLESS OF LENGTH OF SERVICE)

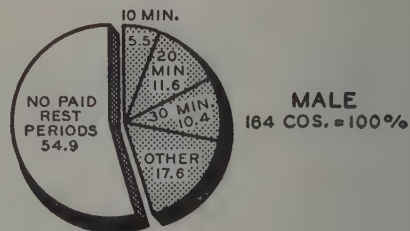


### HOLIDAYS

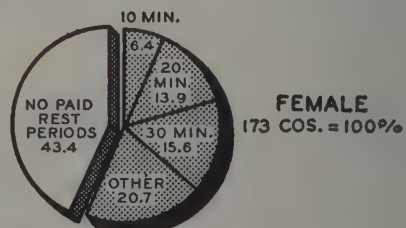
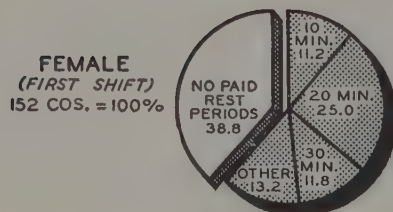
## HOURLY EMPLOYEES



## SALARIED EMPLOYEES



### REST PERIODS

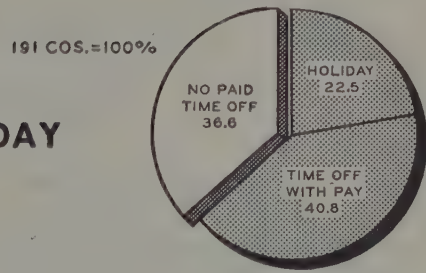
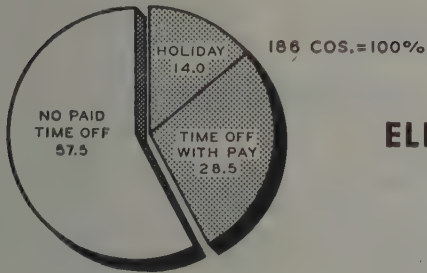


# The Picture in '52

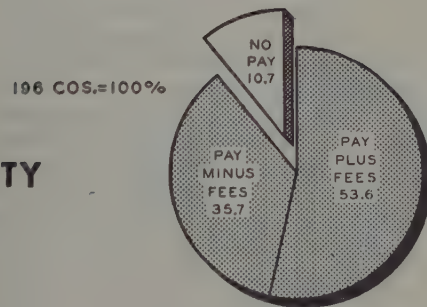
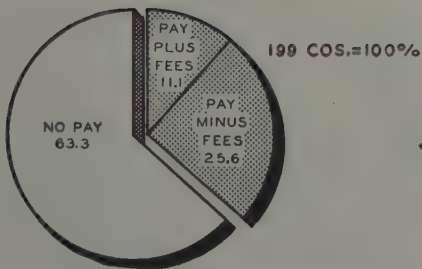
## HOURLY EMPLOYEES

## SALARIED EMPLOYEES

### ELECTION DAY



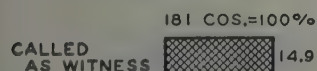
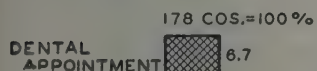
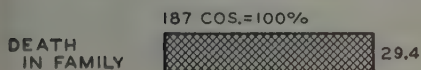
### JURY DUTY



## PERSONAL LEAVE WITH PAY

### HOURLY EMPLOYEES

### SALARIED EMPLOYEES



# The Place and Purpose of Employee Communication\*

**J**UST NOW business leaders are having much to say on the subject of communication. They point out the importance of keeping people informed. And the values of communication upward as well as downward are stressed. Through communication, it is said, the morale of employees can be strengthened and their production increased.

Many different programs of information and education are recommended. Some enthusiasts go so far as to say that management can do much to prevent the spread of socialism and communism by communicating its point of view effectively to its employees and to the public. But more restrained students of the subject, while no less convinced of its importance, are of the opinion that it is a mistake to claim so much. Communication, they argue, is not a panacea. It may not affect production noticeably. Also, communicating with others is not easy. It is an art as well as a skill, and there is still much to learn about it. Attempts to communicate with employees may even boomerang against management—particularly in the beginning stages.

However, the penalties of not communicating, or of communicating poorly, may be so damaging to a company that management cannot afford the risks of incurring them. But this negative reasoning is not necessary in the case of communication. To communicate with employees is simply the "right" thing to do. Other arguments can be advanced but they are of secondary importance to this central one.

This is an age of communication. A flood of facts and opinions on all subjects is constantly being poured forth by magazines and newspapers, over radio and television networks, at schools and colleges, at union meetings, public forums, and so on. The average American today is a well-informed person on many subjects.

What's more the average American *expects* to be informed. He expects to be kept up to the minute. He expects to learn the lowdown, the inside story, on what's going on and why. He becomes annoyed if information is withheld from him. At one point in a Broadway play an actress exclaimed, "How I *hate* not knowing things!" The audience, highly sympathetic, roared.

\* THE CONFERENCE BOARD'S report, "Communicating with Employees," now in press, will soon be mailed to Associates. Some of the highlights from the report are presented in this article.

If information is not provided on any given subject, the average person may well develop wrong ideas and wrong attitudes. He may become suspicious of the motives of those who withhold the information. He may ask: "Why the mystery?" and "Why am I not given the facts?" and "Is there something to hide?"

To summarize:

Workers today are better educated and better informed than ever before.

Full information is available to them on almost all matters.

Workers wish to know about things which affect them.

Many company matters affect them.

They wish to know about these matters.

If they are not given accurate information, they may develop wrong ideas and attitudes.

If they are given reliable information, they may take additional interest in their jobs and in their companies.

## IS COMMUNICATION POSSIBLE?

There are some critics who question whether it is possible for the several groups in industry (the employees, the technicians, and the managers) to communicate with one another at all. Peter Drucker says categorically that "there is no communication today."<sup>1</sup> A position almost as extreme was taken by *Fortune* magazine in a recent series of articles on the subject.<sup>2</sup>

But perhaps in this same vein, when some experts were shown the B-24 bomber on the drawing board or even on an airstrip, they have declared "It won't fly!" A few years ago General Motors distributed an amusing bulletin board piece entitled "The Bumble Bee Cannot Fly," with the following explanation:

"According to the theory of aerodynamics and as may be readily demonstrated through laboratory tests and wind tunnel experiments, the bumble bee cannot fly. This is because the size, weight, and shape of his body in relation to the total wing spread makes flying impossible.

"But . . . the bumble bee, being ignorant of these profound scientific truths, goes ahead and flies anyway—and manages to make a little honey every day."

<sup>1</sup> "The New Society," Harper and Brothers, New York, 1950.

<sup>2</sup> Now published in book form: "Is Anyone Listening?" by W. H. Whyte, Simon and Schuster, New York, 1952, 239 pp.

Similarly many companies, unaware of the arguments against communication or despite them, have gone ahead and developed successful programs. It would be hard to convince those who have lived with these programs that they have not been worthwhile.

### DOES COMMUNICATION PAY OFF?

Some enthusiasts have announced that through good communication it is possible to "set our workers straight," to establish peace between labor and management, to get "everyone on the team" by resolving different points of view, and to increase productivity "many times over." A more sober judgment would be that communication has *potential* values for these and other desirable goals.

In connection with its study of the subject, THE CONFERENCE BOARD queried two groups of production workers about the communication programs in their plants. Evidence was obtained from these workers that communication does make a difference in terms of job interest, company loyalty and other matters.<sup>1</sup> But a cold study of production figures, turnover rates, and the like fail to support extravagant claims of communication benefits.<sup>2</sup> Some of the differences, where differences exist, may be measurable in dollars and cents. Some cannot be so measured. Companies that have had experience with communication programs are apt to talk of the values in terms of improved morale as much as in terms of increased production. And the one may be as important as the other.

### THE MEDIA OF COMMUNICATION

Full-blown communication includes downward, upward and lateral communication. The last requires the least attention of all since there usually is adequate provision for lateral communication among those of similar rank in the company, and since there are few natural barriers to it. Comparatively little thought has been given upward communication. Business leaders are only beginning to understand its place and importance.

It might be supposed that downward communication presents few problems. Industry has had experience with this form of communication from the very beginning. It is generally assumed that modern management has provided ample media for communicating downward with employees. But has it?

Figures collected nation-wide by the Board show that only 24% of companies publish magazines for employees; only 17% have employee newspapers; only 11% distribute their annual reports to their employees; only 7% have open-house programs.

A picture hardly more reassuring emerges from the 1951 annual report of personnel practices of the Associated Industries of Cleveland.

<i>Communication Medium</i>	<i>Per cent of Responding Companies Providing This Medium</i>
Bulletin boards	73
Letters, bulletins	40
Meetings	29
Handbooks	13
Public address systems	11

The evidence from Cleveland, certainly not a backward industrial community, as well as THE CONFERENCE BOARD's evidence, cast doubt on the assumption that numerous media for downward communication exist in the average company.

Relatively few companies have established media which enable their employees to communicate upward. For example, not more than one company in ten has made use of employee attitude surveys.

There are literally scores of ways of disseminating ideas. Some are more effective than others. The situation and the purpose to be served largely determine the medium to be used. Different media are appropriate for different occasions. Some companies prefer one medium, or a few media, but it would seem a mistake to place too much reliance on a narrow approach.

The way a medium is used is perhaps as important as the medium itself. Minimum values will be obtained from bulletin boards if the notices are too long and too involved and if they are allowed to remain posted until they become "stale." Employee publications that are too preachy or that are devoted almost exclusively to personal chit-chat do little to promote good communication. An employee attitude survey that is not followed up may do more harm than good. And so on.

In general, the conclusion seems warranted that more effective use of more communication media is called for. Faced by a tremendously big job to be done, many managements have been expecting "too much from too little."

### CONDITIONS OF EFFECTIVE COMMUNICATION

Effective communication is characterized by timeliness, accuracy, completeness, and by the sincerity of the participants. The most effective communication is dynamic and personal. Oral communication excels in these respects.

The conditions making for effective communication in industry can be enumerated briefly:

- A clear policy statement on communication
- Confidence and mutual respect among the several groups in industry

(Continued on page 404)

<sup>1</sup> Detailed findings to appear in an early issue of this magazine.  
<sup>2</sup> See, for example, the several "productivity" studies recently published by the Survey Research Center at the University of Michigan, Ann Arbor, Michigan.

# AFL Convention Highlights

**H**IGHLIGHTS of the AFL's seventy-first annual convention held in New York the week of September 15 were:

For the first time in its seventy-one-year history an AFL convention heard addresses by the two presidential candidates and gave its political endorsement to a presidential candidate.

The AFL's recently-formed anti-racketeering committee reported success in securing the withdrawal of local union charters that had been "improperly issued."

The convention passed resolutions demanding the following action:

1. Called for amending the Fair Labor Standards Act (wage-hour law) to increase the minimum wage to \$1.25 an hour.

2. Called for civilian, as opposed to military, responsibility for all defense procurement and asked for labor participation in setting up defense procurement policies.

3. Condemned indirect subsidies by municipalities and asked that Congress and state legislatures outlaw direct and indirect subsidization by municipalities of business enterprises.

4. Called upon Congress to eliminate Senate Rule 22 and adopt anti-filibuster rules that would "permit a majority of senators present and voting to limit and close debate so that the Senate may proceed to vote on any pending matter after there has been a reasonable opportunity for full debate."

5. Supported fair employment practice legislation (FEPC) with enforcement powers.

6. Called upon Congress to declare Franklin D. Roosevelt's birthday (January 30) a national holiday.

7. Called for full enforcement of laws to prevent illegal entry of Mexican workers (wetbacks).

8. Called for defeat of the constitutional amendment limiting taxes to 25% of a person's or corporation's income.

9. Voted down a resolution that AFL go on record as favoring the development of the St. Lawrence Seaway and reaffirmed its 1951 convention action which spoke out against this project. The AFL action is opposed to that of the CIO which favors the St. Lawrence Seaway project.

10. Supported bill [S-1973] to amend Taft-Hartley Act to permit "execution of collective bar-

gaining agreements, by the building trades, prior to the employment of workers. It would also allow labor agreements requiring membership in the contracting unions on or after the seventh day [instead of the T.H.'s 30 days] following employment."

## AFL BACKS STEVENSON

The first and most important piece of business of the AFL convention was the endorsement of a candidate. This was the first time an AFL convention was held *before* Election Day.<sup>1</sup>

From the outset, the action that the convention would take was apparent. In addition to Governor Adlai Stevenson, the convention also heard Averell Harriman, Secretary of Labor Maurice J. Tobin, Federal Security Administrator Oscar R. Ewing and a message from President Harry S. Truman. The talks of all the administration spokesmen were frankly political in content.

The convention was presented a resolution asking that the "convention fully endorse Adlai Stevenson for President and John J. Sparkman for Vice-President of the United States." The AFL Executive Council were informed by Republicans within the Council that they would carry out a floor fight against an outright "Stevenson-Sparkman endorsement." Rather than go through a floor fight, the majority of the Council came up with a compromise under which the Council would "advise and urge each and every member of the American Federation of Labor to vote for Adlai E. Stevenson for President of the United States on November 4."

The council's compromise eliminated mention of the Democratic Vice-Presidential candidate, John J. Sparkman.

While President William Green declared that the convention unanimously carried a motion for adoption of the Executive Council's report containing the above recommendation, it was noted by observers that the delegations from the Carpenters with 600,000 members, the Pulp, Sulphite and Paper Mill Workers with 134,000 members, the Brotherhood of Maintenance of Way Employees with 158,000 members, the Pattern Makers League with 11,000 members and the Brotherhood of Sleeping Car Porters with 10,000 members did not rise in support of the motion.

<sup>1</sup> The endorsement of Robert La Follette in 1924 was made by the AFL Executive Council, not by AFL convention action, as the AFL convention was not scheduled to meet until *after* the elections.

## ANTI-RACKETEERING FIGHT

The AFL Executive Council gave a report on its fight against the rise of racketeering unions. It reported that in May, 1952, it had appointed a committee consisting of David Dubinsky, president of the Ladies' Garment Workers' Union; William McNetridge, president of the Building Service Employees, and George Meany, AFL secretary-treasurer. The committee reported that "in the few months since its establishment, this committee has secured the withdrawal of several local union charters which had been improperly issued." Among the unions involved were locals of Distillery, Rectifying and Wine Workers and the International Jewelry Workers' Union. The committee also reported that it was investigating "the issuance of a charter by the United Automobile Workers (UAW-AFL) in New York City."

## AFL ASKS PRODUCTIVITY INCREASE

The AFL asks that the Wage Stabilization Board permit wage increases based on increased productivity. The AFL says that "the yearly increase in production per manhour for the American economy as a whole has been estimated at over 2% per year." The AFL believes, however, that this figure underestimates our actual productive potential. They say that in certain periods "it has been possible to increase our national productivity at a rate at least double this amount or even more. For instance, in World War II from 1939 to 1944, production per manhour in private industry rose by almost 5% per year. Between 1949 and 1951 the increase was 5½% per year. (The figures represent real gross private national product per man hour of work.)"<sup>1</sup>

Increasing productivity in the United States, says the AFL, has been due to: "The competitive private enterprise system; the free consumer market where all who buy may exercise a free choice among many products; the skill of American workers and their cooperation in measures to improve production; the inventive genius of our people and their interest in expanding production."

Wage stabilization regulations, the AFL says, "have prevented workers from increasing their wages proportionately with their increase in productivity. For while production per manhour is now rising at the rate of 5½% per year, workers' real wages per manhour have risen on the average only slightly more than 1% per year during the wage stabilization period. This small wage increase however has been more than offset by the increase in taxes, so that the average worker's living standard is actually being reduced

while his productivity rises at an unusually rapid rate."

## ORGANIZING ACTIVITIES

The AFL reports that it has a staff of 163 paid organizers and 1,559 volunteer organizers. Their work falls into two principal fields; organizing federal labor unions and assisting newly formed local unions of the national unions that make up the AFL. The AFL reports that in the Northeastern and Atlantic Coast states they have concentrated on federal labor unions and national and international local unions which have required the services of AFL staff organizers for organizational work, for negotiations, and protecting AFL interests from CIO raiding activities. In the Southeastern and Southwestern states the AFL says a great deal of organizing activity has taken place at atomic energy plants and in the aluminum industry.

## AFL ON INTERNATIONAL FRONT

The AFL's Executive Board devoted more than one-quarter of its report to "world affairs." On the international front the AFL denounced what they called the "Churchill-Bevan policy" of reducing defense appropriations. They hailed the breakup of the communist-dominated World Federation of Trade Unions by the desertion of more than fifty million free trade unionists who formed the International Confederation of Free Trade Unions. This, they said, "constitutes one of the severest defeats suffered by the Kremlin."

The AFL also had some criticism of the International Confederation of Free Trade Unions. It urged the ICFTU "to adopt a correct policy toward Yugoslavia—that is, to have the democracies, in the interest of preserving world peace, provide it with military and economic aid in its resistance to Soviet imperialist aggression while seeking the restoration of all democratic rights to the people, the unconditional release of all imprisoned free trade unionists, and the establishment of a genuine free trade union movement in that country."

The AFL revealed that on June 24, 1949—one year to the day before the Moscow-instigated Korean War broke out—the following telegram was dispatched by Vice-President Matthew Woll, chairman of the International Labor Relations and Free Trade Union Committee, to Secretary of State Dean Acheson and the then Secretary of Defense Louis Johnson:

"Pending clarification and determination of definite United States policy towards China, the AFL strongly urges that our government should not withdraw all troops from South Korea on July 1. The Korean and Chinese problems are interrelated and inseparable. We, therefore, propose that a minimum of 5,000 American troops be kept in South Korea or be sent there from Japan. This token protecting force will be symbolic of America's determination to safe-

<sup>1</sup> Real gross private product per man hour may be defined as gross private national product in dollars, divided by total man hours worked in the private sector, adjusted for changes in the price level. For an analysis of the latest findings on productivity, see "Productivity Roundup," in *The Conference Board Business Record*, July, 1952.

guard Korean national independence and deter Russia and its huge army of armed Korean stooges in the North from swallowing South Korea and enslaving the entire Korean people."

The AFL also said that they "have also repeatedly called for the U.N. truce team putting to the fore in the negotiations at Panmunjom a representative of the Republic of Korea." They point out that "the only Korean who has been in the foreground of the truce negotiations is the North Korean Communist quisling General Nam Il."

The AFL Executive Board said it "unreservedly rejects all proposals to support maneuvers for bringing Mao-Tse-Tung into the U.N. or any of its agencies—through the back door or front entrance."

#### ATOMIC ENERGY POLICY

The AFL policy on atomic energy says "Atomic energy itself and technology arising out of nuclear fission must remain in public domain. While development of private investment and enterprise for civilian use of atomic energy should be encouraged, such use of it by private enterprise should be strictly competitive. Private monopoly in any phase or segment of the atomic energy industry is intolerable. Yet even now monopolistic aggregates are already building up, not only around fringes of this public program, but within it. Monopoly of engineering skill and scientific technology is no less dangerous than monopoly of private capital. No private corporation should be permitted to accumulate materials, equipment or skill of this industry for its own exclusive use or to arrogate to itself the power derived from their exclusive possession."

#### UNION DISBURSED BENEFITS—\$84 MILLION

During 1951, AFL unions disbursed benefits totaling \$84,396,611.02. These break down as follows:

Death Benefits ..... \$23,307,483.82

Sick Benefits .....	14,470,396.96
Unemployment Benefits .....	1,054,792.72
Old Age Benefits .....	20,378,512.11
Disability Benefits .....	1,216,031.88
Miscellaneous Benefits .....	23,969,393.51

The leader in the field is the International Ladies Garment Workers which disbursed \$26 million in benefits. Next comes the International Typographical Union which disbursed \$11 million in benefits, over \$7 million of which was for old age benefits to its members over and above the amounts they receive under social security.

JAMES J. BAMBRICK, JR.

*Division of Personnel Administration*

AFL membership figures from 1930 forward are:

<u>Year</u>	<u>Membership</u>
1930	2,961,096
1931	2,889,550
1932	2,532,261
1933	2,126,796
1934	2,608,011
1935	3,045,347
1936	3,422,398
1937	2,860,933
1938	3,623,087
1939	4,006,354
1940	4,247,443
1941	4,569,056
1942	5,482,581
1943	6,564,141
1944	6,806,913
1945	6,931,221
1946	7,151,808
1947	7,577,716
1948	7,220,531
1949	7,241,290
1950	7,142,603
1951	7,846,245
1952	8,093,302

## Schenley Foundation Makes Loans to Employees

Fourteen years ago Schenley Industries, Inc., established a foundation to provide financial aid to employees. Since that time nearly three quarters of a million dollars have been disbursed by this agency, according to its most recent annual report.

While some outright donations are made, most of the money has been used in the form of loans, the largest single category being those for medical and dental expenses. Loans have also been made for taxes, insurance payments, clothing, furniture, home repairs, vacation expenses and tuition fees.

Two types of loans are made—emergency loans of \$50 or less for periods not exceeding thirty days and regular loans in larger amounts, usually repayable within a maximum of one year through weekly or monthly payroll deductions. Emergency loans can be made by the treasurer of the foundation. The fund's board of trustees passes on regular loans.

Net losses due to uncollected loans have averaged only \$55 a year since the foundation began its operations. Operating expenses have averaged less than \$200 a year, since all officers, trustees and committee members serve without pay except for nominal fees for bookkeeping.

# Automobile Allowances for Salesmen

**SEVEN CENTS** a mile is the going rate for salesmen who drive their own cars on company business, according to THE CONFERENCE BOARD's most recent survey of automobile allowances for salesmen.<sup>1</sup> This is the same as the 1951 figure except that the number of companies paying this rate is greater this year than last. A straight arithmetic average of all rates reported reveals that there has been an advance of a little less than a half cent per mile from 1951 to 1952. (Sample changes may account for part of this difference, but most of the companies surveyed this year were also included in last year's study.)

Other findings of the 1952 survey are:

- There is a definite trend toward company-owned or leased cars for salesmen.
- The flat mileage rate is still the most popular plan for reimbursing salesmen who drive their own cars for company business, but there was a substantial decline in the number of companies using flat mileage allowances compared with the number using other methods.
- Graduated mileage rates were not so popular this year.
- The so-called Runzheimer plan is used more frequently than a year ago. (This plan provides for

such variables as type of terrain covered, area differences in costs, the make of car driven and depreciation of the car used.)

- Tolls, parking fees and car insurance are often paid for in addition to regular mileage allowances.

## Car Ownership

Cars owned by salesmen are used exclusively by 47% of the companies surveyed this year. Last year 78% of the companies surveyed used only salesmen-owned cars. There appears to be a trend toward combining the use of company-owned and leased cars as well as salesmen's cars. (See Table 1.)

**Table 1: Methods of Supplying Automotive Transportation**

Methods Used	Number of Companies	Percentage of Companies
Company-owned cars only	46	16.0
Leased cars only	9	3.1
Company and leased cars	3	1.1
Salesmen's and company cars	62	21.6
Salesmen's and leased cars	19	6.6
Salesmen's, leased and company cars	12	4.2
Salesmen's cars only	136	47.4
Total Companies	287	100.0

Source: THE CONFERENCE BOARD

The number of companies using only fleets of company cars did not show any noticeable increase. Approximately 43% of all the companies surveyed supply company cars for the use of salesmen. This compares with 16% last year. Approximately 15% supply leased cars for their salesmen against 1.6% in 1951.

## Flat Mileage Allowance

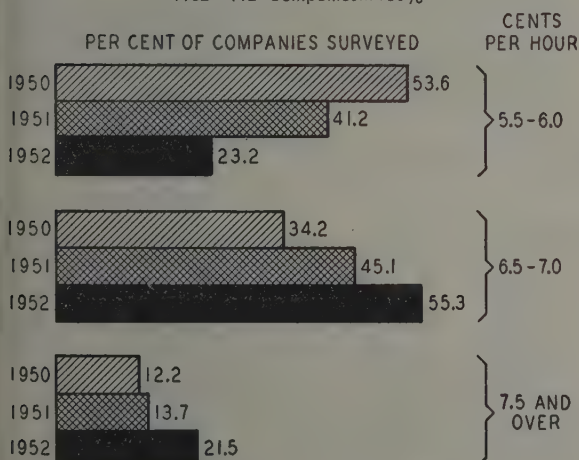
The flat mileage rate is the policy of the largest group of companies where salesmen use their own cars for business. However, about a 20% decrease from 1951 was noted in this group. Seven cents per mile is the median rate reported. The average payment, however, increased from 6.6 cents to 6.9 cents a mile during the year. The range is 4 cents to 10 cents a mile. (See chart.)

## Combination Mileage Plus Fixed Cost

A combination of a variable mileage allowance plus a fixed periodic payment is used by twenty companies. Fourteen other firms use a variation of this method.

## Allowance per Mile for Salesmen-owned Cars

1950—82 Companies=100%  
1951—124 Companies=100%  
1952—112 Companies=100%



Source: THE CONFERENCE BOARD

The median reimbursement provided by this plan is 3.5 cents a mile plus \$45 a month.

Fixed costs, which consist mainly of depreciation and insurance, are scheduled by the day, week, month or year, depending on individual company needs. However, monthly payments are the most popular by far, and range from \$30 to \$60, with \$45 as the median. The average reimbursement computed by the day is \$2.17 plus 3.8 cents a mile, while the average weekly allowance is \$11.73 plus 3.6 cents a mile.

**Table 2: Methods of Reimbursement to Salesmen Who Use Their Own Cars**

Method	No. of Companies	Percentage of 136 Companies
Flat mileage rate only	58	42.6
Combination mileage and allowance	20	14.7
Graduated mileage rates	19	14.0
Runzheimer plan only	14	10.3
Flat allowance only	6	4.4
Miscellaneous or multiple plans	15	11.0
No reimbursement	4	3.0
Total companies	136	100.0%

Source: THE CONFERENCE BOARD

If the median of the combination allowance based on monthly payments were to be compared with the average flat mileage rate, a slightly lower rate would be noted for the combination. Computing this median of \$45 a month plus 3.5 cents a mile on an assumption of 1,500 miles a month, the average actual mileage rate would be 6.5 cents a mile as compared to the average of 6.9 cents for the flat rate. Additional expenses, though, such as tolls, are paid more frequently by companies using the combination policy than those using the flat mileage.

#### Graduated Allowances

The number of companies reporting graduated mileage rates as a method of reimbursement decreased from about 10% to 7% over the past year. If the mileage rate is computed on the basis of 1,500 miles a month, the amount of reimbursement would average

about 6.7 cents as compared with about 6.3 cents last year. The average allowance this year is 7.5 cents a mile for the first 1,050 miles a month with 4.8 cents for each mile thereafter. The rates, however, vary considerably among the companies, owing to differences in the time period in which the mileage is computed, the graduated amounts per mile and the number of miles at the different rates. One third of the companies have three gradations of rates per mile—the largest amount for the first designated number of miles. The remaining two thirds have only two gradations but the rates begin higher.

#### Runzheimer Plan

The Runzheimer plan is used by approximately 10% of the 287 companies surveyed, which is an increase over 1951. The major part of these use only this method. This plan takes into consideration the variable factors such as the terrain covered, costs of operating in the different areas and the make of car driven. Mileage rates are given for designated areas which were chosen to fit each company's needs, and differ for city and rural driving. In addition the salesman is reimbursed for depreciation by a set adjustment for each 1,000 miles driven.

#### Fixed Allowances

Allowances of a set amount per week or month is the policy reported by seven companies. The average is \$57.50 a month. A number of other companies have several of the above mentioned policies in effect at one time and use them according to the extent of driving or territory covered. Four companies reported their salesmen to be on a commission basis receiving no automobile allowance.

#### Nonsales Personnel

Employees other than salesmen who may on occasion use their cars for business are reported to be paid on a flat mileage rate rather than by other methods. A tabulation of this small group shows a median rate

**Table 3: Companies Paying Expenses in Addition to Allowance for Use of Salesman's Car**

Methods of Reimbursing Salesman	Total No.	Tolls		Parking		Garage Storage		Liability Insurance		Collision Insurance		Fire and Theft Insurance		Towing Charges		Car Wash (Away from home)	
		No. of Cos.	Per Cent	No. of Cos.	Per Cent	No. of Cos.	Per Cent	No. of Cos.	Per Cent	No. of Cos.	Per Cent	No. of Cos.	Per Cent	No. of Cos.	Per Cent	No. of Cos.	Per Cent
Flat mileage	112	51	45.5	44	39.2	42	36.6	16	14.3	5	4.5	7	6.3	4	3.5	2	1.8
Graduated	34	19	55.9	16	47.1	13	38.2	3	8.8	3	8.8	3	8.8	3	8.8	2	5.9
Combination	28	14	30.0	13	46.4	12	42.9	9	32.1	7	25.0	7	25.0	0	0	3	10.7
Runzheimer	17	10	58.8	11	64.7	10	58.8	3	17.6	2	11.8	1	5.9	1	5.9	0	0
Flat allowance	7	4	57.1	3	42.9	3	42.9	3	42.9	2	28.6	0	0	1	14.3	2	28.6
Misc. and multiple	25	15	60.0	10	40.0	9	36.0	4	16.0	1	4.0	0	0	1	4.0	0	0
Total	223	113	50.7	97	43.5	89	39.9	38	17.0	20	9.0	18	8.1	10	4.5	9	4.0

Source: THE CONFERENCE BOARD

**Table 4: Expenses Paid in Addition to Flat Rate Allowance in 112 Companies**

Cents per Mile	No. of Cos.	Percentage of Companies Paying Extra Expenses							
		Tolls	Parking Fees	Garage Storage	Insurance				
					Liability	Fire & Theft	Collision	Tow	Wash
5.5 or less	5	0	0	0	20.0	20.0	20.0	0	0
6.0	21	47.6	42.9	47.6	9.5	4.8	4.8	0	0
6.5	5	60.0	60.0	40.0	40.0	0	0	20.0	0
7.0	57	50.9	43.9	40.4	15.8	7.2	3.5	3.5	1.8
7.5	4	50.0	0	0	0	0	0	0	0
8.0 or more	20	35.0	35.0	35.0	10.0	5.0	5.0	5.0	5.0

Note: Other expenses are less than 1% of total.  
Source: THE CONFERENCE BOARD

of 7 cents a mile. The range is 5 cents to 10 cents. This is slightly more than last year.

#### Company-Owned or Leased Cars

The majority of companies supplying leased or company-owned cars pay for all expenses incurred on business. The extent of company-paid insurance coverage, however, does differ. All reporting companies pay for liability and property damage insurance. Approximately 92% pay for fire and theft. And 74% pay for collision. The trade-in policies for new cars varies with age and mileage, but generally companies consider two-and-a-half years or 40,000 miles the life of a company-owned car.

Charges for personal use of the company car are in the minority. Eighty-four do not report any expense to the salesmen although usually they are expected to supply their own gas. Four do not sanction use of the car for other than business purposes. The median charge is 3.5 cents a mile for the thirty-two companies that have a mileage charge. The range is from 1 cent to 10 cents a mile. The remaining companies use a weekly basis.

#### Variable Expenses Paid

Expenses, such as tolls, parking fees and insurance, are frequently paid in addition to mileage allowances,

but they vary from company to company. (See Table 2.) Within the group using the flat mileage rate, differences may also be seen among the various rates paid per mile. (See Table 3.)

Companies paying rates of 6.5 cents and 7 cents reported a larger percentage of salesmen being reimbursed for these expenses. Companies not paying these extras either include them when computing the allowance or consider them the salesman's expense.

#### Insurance

Twenty-eight percent of the 287 companies require their salesmen to carry liability and property damage insurance but do not assist them in their payments. Requirements range considerably. For property damage, \$5,000 is the predominant policy. A smaller majority require salesmen to have from \$1,000 to \$100,000. A \$10,000/\$20,000 policy for liability is obligatory in 22% of the companies. A number require as much as \$100,000/\$300,000 coverage.

Approximately half of the 182 companies having blanket insurance policies have increased their amount of coverage in recent years. More than a third reported that they hold \$100,000/\$300,000 coverage.

NANCY KUHNE  
Statistical Division

## Management Book Shelf

**"Speak Up, Management"**—The authors of this book were heralding the benefits of employee communication years before the term caught hold popularly in management literature. As consultants, they chose to specialize in the media which employers could use to share information with employees—company magazines and newspapers, bulletin boards, handbooks, news letters, annual reports, etc. In their book, they distill their experience into a chapter for each medium.

Oral communication is not neglected. There are, for instance, timely ideas for supervisory and employee meetings as well as the plant open house. Some attention is given to communication between business and the public, but the executive will find the volume's chief value in its practical suggestions of ways to communicate with employees. *By Robert Newcomb and Marg Sammons, Funk and Wagnalls Company, New York, 1951, 308 pp. \$5.*

## RUBBER WORKERS TALLY GAINS

**S**INCE August 9, the CIO's United Rubber Workers claim that 122,500 workers in the rubber industry have been brought under its new 10-cent wage-increase pattern. All the wage hikes must still be approved by the Wage Stabilization Board.

The 10-cent pattern, according to the *United Rubber Worker*, spread throughout the industry during the month of August. The paper sets up this chronology:

August 9—Goodyear agrees to 10 cents for 30,000 workers in ten plants.

August 13—U. S. Rubber extends increase to 35,000 in nineteen plants.

August 15—General Tire agrees to 10 cents for 3,000 workers in ten plants.

August 16—Seiberling Rubber follows pattern for 1,800 in two plants.

August 24—Firestone signs covering 24,000 in eight plants.

August 27—B. F. Goodrich grants 10-cent increase for nine plants.

Other industry members reported by the CIO Rubber Workers to have come along with this pattern include:

Armstrong Tire and Rubber—1,000 employees

Kelly-Springfield Tire Co.—2,200 employees

Armstrong Cork Co.—2,200 employees

Gates Rubber Co.—3,000 employees

Mohawk Rubber Co.—800 employees

In the cases of Firestone and Goodrich, the union claims other contract gains in line with those previously won from the other two members of the Big Four. The *United Rubber Worker* lists these as a full union shop in both companies instead of the former modified union shop; improved holiday pay provisions that call for double time plus holiday pay for all hours worked on holidays; reduced eligibility periods for vacations; improved piecework allowances; and improved wage reopening provisions.

### Oil Workers Plan Extended Organizing

Long-term organizing activity and economic goals were stressed at the CIO Oil Workers' recent convention, reports *The CIO News*. Organizing will be pushed because the Oil Workers, while the dominant union in the oil industry, have only a third of the industry under contract, reports the paper. The Oil Workers' union will also seek to

broaden bargaining units to get away from the "outdated and inefficient pattern of plant-by-plant bargaining." The economic program of the Oil Workers calls for productivity wage increases above cost-of-living adjustments, more control over pensions, and greater vesting privileges for individual workers.

### IBEW Sets Assets at \$21 Million

Total assets of the International Brotherhood of Electrical Workers, AFL, amounted to \$21,122,871.65 as of June 30, 1952, according to the union's financial report published in the *Electrical Workers' Journal*. Cash receipts for the year were \$25,868,023.75, of which \$8,886,309.40 came from dues. The IBEW spent close to \$1.5 million on organizing expenses and sent \$180,630.25 to the AFL and various AFL departments for per capita taxes.

### Seek Amalgamation of CIO Woodworkers, Paperworkers

One union for both the CIO Woodworkers and the CIO Paperworkers is sought by certain officials of the Woodworkers' union, reports *The Woodworker*. The move for unity is justified, explains the officers, because the Woodworkers' charter grants it jurisdiction over wood "from the stump to the finished product."

### UAW-CIO Net Worth Tops \$12 Million

Net worth of the UAW-CIO advanced to \$12,039,297.21 for the period ending May 31, 1952—a gain of more than \$4 million from the last year, according to the UAW's *United Automobile Worker*. Total receipts for the period amounted to \$17,708,567.73. Almost all came from per capita taxes. According to the treasurer's report, the UAW has 1,194 chartered locals and an average dues-paying membership of 1,180,284 for the fiscal year. UAW-CIO expenditures during that time were close to \$7 million—a large portion going for increased organizing activity, reports the UAW.

### AFL Chemical Workers Net Worth Close to \$700,000

The International Chemical Workers' financial statement for the year ending June 30, 1952, shows a net worth of \$693,667.28, and total receipts of \$907,260.36. Half of the year's receipts went for salaries and expenses of organizers according to *The International Chemical Worker*.

### Machinists Stick With AFL

The International Association of Machinists (AFL) in convention voted overwhelmingly for continued affiliation with the AFL, reports *Labor* (AFL and independent rail-

road unions). The resolution to disaffiliate, offered by a Cleveland local, was turned down after Machinists' President A. J. Hayes stressed the fact that "we are trying to unite, rather than divide the labor movement."

### AFL Unit to Aid Urban League

The AFL has named a new committee to work with the Urban League in furthering work opportunities for Negroes, reports the *AFL News-Reporter*. The Urban League aids in training and placement of more highly skilled Negro workers in industry. The AFL unit cooperating with it is headed by Thomas G. Young, secretary-treasurer of a New York local of the Building Service Employees Union (AFL).

### CIO Members Study Scandinavian Labor

Twenty-five rank-and-file members of CIO unions left last month for a three-week study tour of the Scandinavian countries, reports *The CIO News*. They will spend two weeks

in Denmark taking labor courses and visiting industrial plants, and then tour Sweden and Norway for another week. The trip is financed by CIO locals and city councils, the Workers' Education Association of Denmark and the Danish Society.

### AFL's Strike Benefits Appeal to CIO Unit

In a close election, an AFL Butcher's Workmen local recently switched affiliation to the CIO. But *The Butcher Workman* reports that shortly afterward, the new CIO unit asked if its members were still entitled to the AFL union's strike benefits. "We have enough members who are loyal to the Amalgamated and we will hold our charter," wrote the new CIO officials. "By doing this will we be entitled to strike benefits paid by the international union in the event the CIO calls us on strike?"

HAROLD STIEGLITZ

*Division for Personnel Administration*

## Trends in

# LABOR RELATIONS

### NLRB Score In Textile Fight: One And One

The drive of the AFL United Textile Workers to take into its fold local unions seceding from the CIO Textile Workers Union received (1) an assist in the NLRB's decision in the Wade Manufacturing Company Case and (2) a setback in the Bigelow-Sanford Carpet Company case.

As pointed out in THE CONFERENCE BOARD's survey of the AFL vs. CIO Textile Workers' fight, the AFL union's greatest difficulty is that in many plants where the workers voted to secede from the CIO and go over to the AFL, the CIO union still has an unexpired contract with the employer.<sup>1</sup>

This was the case with the Wade Manufacturing Company—the TWUA-CIO contract does not expire until March 1, 1953. The legal question in the Wade case was whether the CIO contract with the company barred the AFL Textile Workers from securing a new certification election. The NLRB said it did not and ordered a new election.

The facts of the case, in brief, are as follows: Following the CIO Textile Union's convention, a secession movement began among the officers of the Wade local. The TWUA-CIO, to forestall secession, appointed an administrator over the affairs of the local. The membership followed this with a vote to secede, and was granted a charter by the AFL's UTWA.

<sup>1</sup> See "AFL vs. CIO Textile Workers Fight—A Survey" September, 1952, *Management Record*, p. 346.

The AFL Textile Workers requested recognition by the employer as representative of the employees at the Wadesboro plant. But this recognition was refused. The employer thereafter refused to pay check-off receipts to either the AFL or the CIO unions, pending resolution of the representation issue, or to process grievances presented by either organization.

The AFL union contended that the current contract between the employer and the CIO union cannot bar its petition for a new certification election, because the contracting union is defunct and because a schism has occurred in the contracting union which places the representative status of that organization at the employer's plant in doubt. The CIO contested these allegations. The CIO Textile Workers contended that, while they lacked local union officers and stewards, they stood ready and able, through their administrator, to service the contract and perform its representative duties.

The NLRB said it found that the contract between the employer and the intervenor does not bar a determination of representatives at this time. The NLRB therefore ordered a certification election.

### Effect of Wade Decision

The AFL Textile Workers Union feels that the Wade case sets a precedent, and they look forward to similar rulings for the many petitions they have for new certification elections. Among these are: the

Sterling Cotton Mills, Franklinton, N. C.; the Minneola, Granite and Tabarbay, N. C. plants of the Cone Mills Corporation; the Neuse plant of Erwin Mills, Inc.; and the Leaksville, Draper, and Spray, N. C., plants of Fieldcrest Mills.

#### NLRB Rules Against UTWA-AFL

The NLRB ruled against the AFL Textile Workers Union in the Bigelow-Sanford Carpet Company case. The CIO Textile Workers have represented Bigelow-Sanford employees at both Amsterdam, New York, and Thompsonville, Connecticut since 1938 when both plants were made one bargaining unit. At the Cleveland CIO Textile Workers Union convention, the Amsterdam, New York plant was strongly pro-Rieve and the Thompsonville plant strongly pro-Baldanzi. After the convention, the Thompsonville local voted to secede and petitioned the NLRB to certify a separate bargaining unit for the Thompsonville plant. The NLRB heard the case and ruled against the AFL.

#### **NLRB Orders \$125,000 Back Pay**

The NLRB ordered the AFL Printing Pressmen's Union, Local 2, and twelve New York City daily newspapers to cease discriminating against nonunion employees in the newspapers' press rooms and to pay back wages estimated at \$125,000 to those who have suffered such discrimination since 1948.

These orders were based on a settlement stipulation agreed to by the newspapers, the union, and a representative of a group of individual employees who brought the charges against the papers and the union. The board approved the settlement stipulation which, in addition to the above parties, was also signed by a representative of the NLRB general counsel.

The employees mainly involved are so-called "boys" who work at pressroom jobs similar to those of apprentices but who are not eligible to become journeymen pressmen until they become apprentices. The charges against the union, the newspapers and the association were brought by twelve individual employees on behalf of themselves and other employees similarly situated.

The newspapers involved are: *The New York Times*, *New York Herald Tribune*, *Wall Street Journal*, *Journal American*, *Mirror*, *News*, *Post*, *World-Telegram*, *Brooklyn Eagle*, *Long Island Star Journal*, *Long Island Daily Press*, and *Il Progresso* (an Italian-language daily.)

The charges were that nonunion employees suffered illegal discrimination, in that preference was accorded to union employees in matters of tenure, promotions, wages, and other working conditions. Under the union

contracts, union members enjoyed higher pay and greater opportunities for promotion than nonmembers, board investigation disclosed. Moreover, "boys" who were not union members were not eligible for promotion to the position of apprentice. The board's orders required that such discriminations be discontinued.

The board also required that the nonunion employees discriminated against in the past be given certain pay increases that they would have received if they had been members of the union. The orders list by name approximately a hundred employees who are to be given apprentice rates of pay and placed on the rolls as temporary or indentured apprentices to replace others promoted ahead of them.

The stipulation between the parties also provides that all present employees who have worked for a single employer eighty-four out of "the last 130 available employment days" will be admitted to membership in the union if they apply and tender dues and initiation fees within thirty days. Nonunion employees who are absent in the armed forces may apply within thirty days after their return to work in the press rooms of any of the papers. Hitherto, union membership for apprentices and "boys" has been restricted mainly to the sons of deceased union members; in addition, a few others with considerable seniority were admitted to membership.

#### **Contract Terminates If Plant Closes**

The question, "What happens to the collective bargaining agreement if the plant or branch goes out of business?" is one that neither party is likely to contemplate at the time of contract negotiations. But the American Woolen Company and the CIO Textile Workers Union recognize the possible legal entanglements that might result from such an oversight and include the following clause in their contract:

"Closed Mills. When a mill is closed permanently the provisions of this agreement and all local agreements applicable to that mill shall terminate thirty days after the employer has notified the union that the mill has been closed and that the closing is a permanent one. The employment of all employees shall thereupon terminate provided however:

"1. At the time of the termination the amount of vacation pay or vacation bonus which the employee would become entitled to if he remained in the employ of the employer until the succeeding first day of June based upon hours worked and pay received since the preceding June 1 to the date of termination shall be computed and paid.

"2. Employees of the closed mill who are employed in another mill of the employer within one year after the mill is closed shall carry with them the continuity of em-

ployment which they had attained at the time their employment was terminated in the closed mill for purposes of vacations, retirement, separation pay, past service displacement bonus, or any other purpose in which continuity of employment is a part of the qualification. Such employees in the new employment shall however have only the seniority rights of a new employee, but shall not be required to serve a probationary period.

"The termination of employment because of the permanent closing of a mill is not a technological change and does not entitle any employee to payment of past service displacement bonus under Article IV of this agreement.

"When a mill is permanently closed it will be the policy of the employer to encourage the placing of employees in other mills covered by this agreement."

## Visual Chart of Grievance Procedure

"The trouble with our grievance procedure," ranted Jack Lloyd, "is that it takes a sea lawyer to figure out how to file a grievance." This can be said of most union contract grievance clauses by workers.

To make it easy for employees to understand the grievance procedure of its contract with District 50, UMW, Johns-Manville Products Company prints this "Visual Chart of Grievance Procedure" in its contract booklet:

Step No.			
(1) Verbal	a. Aggrieved Employee Alone	and	Foreman
	b. Aggrieved Employee and Shop Steward	and	Foreman
(2) Written and Signed	Shop Steward or Member of Union Committee	and	Foreman
(3) Written and Signed	Shop Steward or Member of Union Committee	and	Industrial Relations Manager
(4) Written and Signed	Union Committee	and	Company Committee
(5) Written and Signed	Two Members of Local Union Committee with One Representative, International Union	and	Three Company Representatives
(6)	Failing of solution, the matter, if arbitrable, is submitted to: Arbitration		

Contrast this clear cut presentation with the following grievance procedure clause:

"Section 1. The company shall appoint a committee of five, composed of persons in administrative or supervisory positions, which shall be known as the company committee. The union shall appoint a committee of five, composed of members who have been continuously in the employ of the company for at least one year first preceding, which shall be known as the union committee. These committees shall meet as required for the consideration of complaints or grievances which may arise.

"Should any difference arise between the company and the union or its members as to the meaning and application of this agreement, procedure of settlement shall be in the following manner:

"First: Between the aggrieved employee and the foreman of the department involved, or between the aggrieved employee and the shop steward, and the foreman of the department involved.

"Second: Between the shop steward or a member of the union committee designated by the union and the foreman.

"Third: Between the shop steward or a member of the union committee designated by the union and the industrial relations manager of the plant or his assistant.

"Fourth: Between the two committees first described in this article.

"Fifth: A conference attended by at least two members of the local union committee, a representative of the international union, and a like number of representatives of the company.

"Sixth: In the event that no satisfactory settlement is reached under the foregoing procedure and only after that procedure has been followed, any dispute relating to the interpretation or application of the terms of this agreement may be appealed to a board of arbitration consisting of one representative of the company, one representative of the union, and a third person to be selected by such representatives. If the company and the union representatives fail to agree on a third representative within ten days after both have been appointed, the third representative shall be selected from panels submitted by the American Arbitration Association according to the rules and regulations of that association. The findings of the board of arbitration shall be final and binding on both parties. The company and the union, shall each bear the expense of its own representative; and the expenses of the third member of the board of arbitration shall be borne equally by the company and the union. Each board of arbitration shall deal only with the matter which occasioned its appointment and shall cease to exist on its final decision of such matter."

## Who Pays Employment Agency?

The question of who pays the employment agency is settled in the worker's favor under a midwestern company's contract with Office Employees International Union, AFL. The contract says that "when employees are selected from an employment agency, the company agrees to pay the agency fee."

JAMES J. BAMBRICK, JR.

Division of Personnel Administration

## Briefs on

# PENSIONS AND OTHER BENEFITS

### Stock Option Plan Held Illegal

A recent decision of the Delaware Supreme Court has cast doubts on the legality of certain provisions of some stock option plans for executives. Stockholders of California Eastern Airways had brought suit, charging that the company's plan, which provided that executives might exercise their options within six months after termination of employment, was illegal. The court upheld their claim, saying that the six-month provision was a negation of management's claim that the stock option plan would retain the services of executives and thus benefit the corporation.

The court sent a similar stockholders' suit against another company back to the lower court for a trial to determine whether the company would get any benefit out of its stock option plan.

### New and Increased Benefits

More than 4,000 pensioners of the Consolidated Edison Company received two pension checks in August. The regular August annuity check reflected the 10% increase in benefits authorized by the company in January and approved by stabilization authorities in July. The other check was a retroactive lump-sum payment of the increase for the first seven months of 1952.

The 10% increase applies to the monthly payment before deduction of Social Security and other state and Federal Government old-age, disability and unemployment benefits.

First pension checks were recently issued from a pension fund covering 8,000 AFL bricklayers in New York City. Employers have been paying 20 cents an hour for each worker into the fund for eighteen months. The fund provides for pensions at age sixty-five. Payments will range from a \$20 monthly minimum to a maximum of \$100 a month after forty years of service, plus Social Security.

S. C. Johnson and Son, Inc., announces two changes in its pension plan. The normal retirement age for

women has been raised from age sixty to age sixty-five—the same as for men. The other change provides a five-year-certain annuity payment to retired employees or their beneficiaries. Formerly, payments stopped immediately on the death of the pensioner no matter how soon after retirement his death occurred.

New and increased insurance benefits are now available to employees covered by the contributory plan of the Royal Typewriter Company, Inc. The daily hospital allowance has been raised from \$6 to \$12. The allowance for miscellaneous hospital charges has gone up from \$90 to \$120. The surgical maximum, formerly \$150, is now \$200. Life insurance benefits have gone up, and a new \$5,000 polio benefit has been added.

Maximum benefits payable under the Procter and Gamble disability benefit plan have been raised. During a disability lasting up to a year, the employee gets 2/3 of regular pay up to a \$60 weekly maximum (formerly \$38.46). If the disability lasts up to two years, he gets half pay up to \$45 a week (formerly \$28.85) during the second year. For longer disabilities, the employee is paid \$30 to \$90 per month (formerly \$20 to \$60) after the second year. In the case of partial disability where the employee must take a lower-paid job, the plan pays the difference between the hourly base rates of the two jobs, up to a maximum of \$60 per week—formerly \$38.46. Participants contribute 1% of wages to a maximum of \$46.80 per year—formerly \$30 per year.

United Air Lines has added two new features to its group insurance program. One provides an immediate payment to a deceased employee's spouse or parent of \$1,000 or 20% of his insurance, whichever is less. The other feature is a guarantee of up to \$100 for emergency hospital bills. Identification cards bearing the guarantee will be issued to participants. The company has for some time allowed employees to obtain a \$200 emergency advance; the card-guarantee system will take care of cases arising at hours when company offices are closed.

## New IUE-CIO Severance Pay Contracts

Severance pay provisions are included in five of the six CIO Electrical Workers' pension agreements negotiated in July and August. The contract with the White Sewing Machine Company (Cleveland, Ohio) has the Philco approach of 5 cents an hour plus 2.5% interest for each hour worked after the beginning of the plan. Severance benefits are given to the beneficiary of a deceased employee in addition to death benefits. The Huffman Manufacturing Company (Dayton, Ohio) provides 5 cents an hour for each hour worked, to a maximum of \$2,500. The agreements with Arma Corporation (Brooklyn, New York) and Van Norman Company (Springfield, Massachusetts) apply a new formula. An employee with three years of service is eligible for \$40 for each year worked. He gets an additional \$10 for each succeeding year of service so that by the end of his ninth year he is eligible for \$100 of severance pay for each year worked. The severed employee also gets 2.5% interest. The maximum benefit is \$2,500. Essentially the same formula is included in IEU's pension agreement with the Ingraham Company of Bristol, Connecticut. The maximum in this instance is \$2,220, attained after twenty-five years of service. The interest feature is also omitted.

## Miners' Welfare Fund Report

Revenues in royalty payments and interest on government securities received by the United Mine Workers' welfare fund during the fiscal year ended June 30, 1952, totaled \$126,504,521.69, according to the fund's latest annual report. Expenditures were \$126,338,269.40; 97.3% of this was paid out in benefits and 2.7% in administrative costs.

Pension payments during the year of \$51,762,639.35 were received by 45,339 retired miners. 2,154,882 days of hospital and medical care were provided for 215,372 people. \$9,338,019.17 was paid out in cash benefits for rehabilitation and maintenance aid to totally disabled miners and their families. \$11,704,531.35 aided 33,515

survivors of deceased miners. \$69,606.17 was paid to 611 beneficiaries of miners killed or severely injured in mining disasters. These disaster payments were first authorized in February, 1952.

The welfare fund ended the fiscal year with an unexpended balance of \$99,505,895.13.

A new contract between the United Mine Workers and northern bituminous coal operators has raised the royalty payment to the fund from 30 cents to 40 cents per ton. UMW has signed an identical contract with southern soft coal operators.

## Telephone Unions Ask Increased Pensions

The recent rise in Social Security benefits serves as the opening wedge in the latest union demand for revision of the American Telephone and Telegraph Company's pension setup. The main feature of the pension program submitted by the Communications Workers of America, CIO, is the complete separation of Social Security from the company pension. The union wants a monthly minimum of \$100 exclusive of Social Security. It also wants the pension plan to be subject to collective bargaining and to be administered by union-management benefit committees.

Independent unions representing approximately 150,000 employees (CWA represents about 300,000) are joining with CWA in its pension demands.

## Helping Supervisors Help Employees

All supervisors at the Fort Wayne, Indiana, plant of General Electric Company have received copies of a new booklet entitled "Your Part in the GE Insurance Plan." The booklet shows the supervisors how they can help employees properly fill out the various benefit claim forms, and points out their direct responsibility for doing so.

LOIS E. FORDE

*Division of Personnel Administration*

## Fringes of Gold

*Employees of an English manufacturer of gold chains applauded a company innovation under which the overalls and aprons would be laundered free of charge. The added service benefited both parties. The employees got free laundry service. And the company intends to retrieve gold dust stuck to workers' clothes that had been going down the drain of the employees' wash-tubs. The Supervisor (Foremen's Association of America).*

# Significant Labor Statistics

Item	Unit	1952							Year Ago	Percentage Change	
		Aug.	July	June	May	Apr.	Mar.	Feb.		Latest Month over Previous Month	Latest Month over Year Ago
<b>Consumers' Price Index <sup>1</sup></b>											
All items.....	Jan. 1939=100	182.7	182.3	180.8	180.6	179.9	178.2	177.7	176.6	+0.2	+3.5
Food.....	Jan. 1939=100	k 243.8	243.2	j 240.5	240.1	237.8	h 234.4	f 233.9	232.7	+0.2	+4.8
Housing.....	Jan. 1939=100	126.6	126.1	124.9	124.9	124.7	124.5	124.5	122.0	+0.4	+3.8
Clothing.....	Jan. 1939=100	150.5	150.7	151.0	151.7	152.1	152.3	152.7	155.1	-0.1	-3.6
Men's.....	Jan. 1939=100	167.9	168.2	r 168.3	169.0	169.6	169.9	170.2	173.5	-0.2	-3.2
Women's.....	Jan. 1939=100	135.7	135.9	136.2	137.1	137.3	137.4	137.9	139.5	-0.1	-2.7
Fuels.....	Jan. 1939=100	135.8	134.9	133.9	133.4	135.9	135.9	135.8	134.2	+0.7	+1.2
Electricity.....	Jan. 1939=100	93.3	91.4	91.4	91.4	91.3	91.1	91.1	90.9	+2.1	+2.6
Gas.....	Jan. 1939=100	102.8	r 102.8	102.9	102.9	103.1	102.7	102.1	101.4	0	+1.4
Housefurnishings.....	Jan. 1939=100	165.0	r 164.9	165.6	166.1	167.5	167.5	168.7	172.2	+0.1	-4.2
Sundries.....	Jan. 1939=100	173.0	172.5	171.1	170.7	170.4	168.2	166.9	165.1	+0.3	+4.8
Purchasing value of the dollar.....	Jan. 1939 dollars	54.7	54.9	55.3	55.4	55.6	56.1	56.3	56.6	-0.4	-3.4
All items (BLS).....	1935-1939=100	a 192.3	a 192.4	a 191.1	a 190.4	a 189.6	a 188.4	a 188.3	a 185.6	-0.1	+3.6
<b>Employment Status <sup>2</sup></b>											
Civilian labor force.....	thousands	63,958	64,176	64,390	62,778	61,744	61,518	61,838	64,208	-0.3	-0.3
Employed.....	thousands	62,354	62,234	62,572	61,176	60,132	59,714	59,752	62,630	+0.2	-0.4
Agriculture.....	thousands	6,964	7,598	8,170	6,960	6,412	6,012	6,064	7,688	-8.3	-9.4
Nonagricultural industries.....	thousands	55,390	54,636	54,402	54,216	53,720	53,702	53,688	54,942	+1.4	+0.8
Unemployed.....	thousands	1,604	1,942	1,818	1,602	1,612	1,804	2,086	1,578	-17.4	+1.6
<b>Wage Earners <sup>3</sup></b>											
Employees in nonagricultural establishments.....	thousands	p 46,916	r 46,037	46,378	46,355	46,299	46,001	45,899	46,724	+1.9	+0.4
Manufacturing.....	thousands	p 15,891	r 15,196	15,487	15,680	15,795	15,869	15,859	16,008	+4.6	-0.7
Mining.....	thousands	p 868	r 797	827	893	896	904	902	922	+8.9	-5.9
Construction.....	thousands	p 2,778	r 2,722	2,663	2,520	2,416	2,296	2,308	2,809	+2.1	-1.1
Transportation and public utilities.....	thousands	p 4,201	r 4,129	4,163	4,134	4,096	4,118	4,111	4,190	+1.7	+0.3
Trade.....	thousands	p 9,752	r 9,785	9,836	9,773	9,845	9,668	9,643	9,641	-0.3	+1.2
Finance.....	thousands	p 1,991	r 1,992	1,978	1,958	1,952	1,937	1,919	1,914	-0.1	+4.0
Service.....	thousands	p 4,846	r 4,858	4,839	4,795	4,748	4,681	4,667	4,839	-0.2	+0.1
Government.....	thousands	p 6,589	r 6,558	6,585	6,602	6,551	6,523	6,490	6,401	+0.5	+2.9
Production and related workers in manufacturing.....	thousands	p 12,798	r 12,110	12,393	12,606	12,733	12,815	12,820	13,069	+5.7	-2.1
Durable.....	thousands	p 7,049	r 6,601	6,947	7,280	7,329	7,316	7,306	7,261	+6.8	-2.9
Nondurable.....	thousands	p 5,749	r 5,509	5,446	5,326	5,404	5,499	5,514	5,808	+4.4	-1.0
Average weekly hours.....	number	p 40.2	39.9	40.4	40.2	39.8	40.7	40.7	40.3	+0.8	-0.2
Durable.....	number	p 40.6	r 40.3	41.1	41.1	40.8	41.7	41.7	41.3	+0.7	-1.7
Nondurable.....	number	p 39.8	r 39.4	39.6	39.0	38.4	39.3	39.5	39.1	+1.0	+1.8
Average hourly earnings.....	dollars	p 1.663	r 1.649	r 1.660	r 1.658	1.655	1.656	1.644	1.596	+0.8	+4.2
Durable.....	dollars	p 1.758	r 1.734	r 1.749	1.746	1.742	1.746	1.731	1.684	+1.4	+4.4
Nondurable.....	dollars	p 1.544	r 1.545	1.541	1.530	1.529	1.530	1.522	1.481	-0.1	+4.3
Average weekly earnings.....	dollars	p 66.85	r 65.80	r 67.06	r 66.65	65.87	67.40	66.91	64.32	+1.6	+3.9
Durable.....	dollars	p 71.37	r 69.88	r 71.88	71.76	71.07	72.81	72.18	69.55	+2.1	+2.6
Nondurable.....	dollars	p 61.45	r 60.87	r 61.02	59.71	58.71	60.13	60.12	57.91	+1.0	+6.1
Straight time hourly earnings.....	dollars	e 1.615	r 1.606	r 1.609	r 1.610	1.605	1.597	1.585	1.552	+0.6	+4.1
Durable.....	dollars	e 1.702	r 1.682	r 1.686	1.682	1.683	1.673	1.659	1.627	+1.2	+4.6
Nondurable.....	dollars	e 1.505	r 1.511	r 1.506	1.499	1.494	1.489	1.480	1.449	-0.4	+3.9
<b>Turnover rates in manufacturing <sup>3</sup></b>											
Separations.....	per 100 employees	p 4.5	r 5.0	3.9	3.9	4.1	3.7	3.9	5.3	-10.0	-15.1
Quits.....	per 100 employees	p 3.0	2.2	2.2	2.2	2.2	2.0	1.9	3.1	+36.4	-3.2
Discharges.....	per 100 employees	p 0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.4	0	-25.0
Layoffs.....	per 100 employees	p 0.9	2.2	1.1	1.1	1.3	1.1	1.3	1.4	-59.1	-35.7
Accessions.....	per 100 employees	p 5.7	4.4	4.9	3.9	3.7	3.9	3.9	4.5	+29.5	+26.7

<sup>1</sup> THE CONFERENCE BOARD  
<sup>2</sup> Bureau of the Census  
<sup>3</sup> Bureau of Labor Statistics

a Adjusted indexes:  
Feb., 187.9; Mar., 188.0; Apr., 188.7; May, 189.0;  
June, 189.6; July, 190.8; Aug., 191.1  
Year ago, 185.5

e Estimated  
f Based on food prices for Feb. 13, 1952  
h Based on food prices for Mar. 12, 1952  
j Based on food prices for May 14, 1952  
i Based on food prices for June 16, 1952  
k Based on food prices for August 13, 1952.

p Preliminary  
r Revised

## Review of Labor Statistics

**C**ONSUMERS' PRICES edged up a little from mid-July to mid-August, bringing THE CONFERENCE BOARD's index to a new all-time high of 182.7 (January, 1939=100). Although fuel, housing, sundries and food registered more substantial increases, the most significant advance was probably the 0.1% rise in housefurnishings, the first increase in this component since December of last year.

In the ten months immediately following the outbreak of war in Korea, prices of housefurnishings spurted up twenty-five index points, as dealers and consumers scrambled to stock up before scarcities developed. (See accompanying chart.) However, as supplies of housefurnishings and appliances continued to pour from the factories, the price spiral in these items faltered. And finally in January of this year a definite downward trend began. But lower prices did not seem to tempt the consumer, and sales continued to lag until August.

The August survey of housefurnishings' prices reveals evidence of a reversal. Carpet price changes were mixed but there is general agreement throughout the industry that higher prices are in store. August white sales sent sheet prices down once again, but price increases already announced by a number of the larger mills will soon reverse this trend. Also significant are (1) higher prices reported for living room suites, (2) slowly increasing sales of major appliances and (3) lifting of OPS ceilings on most home furnishings. Thus, the recent rise in the housefurnishings index, although slight, seems to point to better days ahead for furniture and housefurnishings dealers.

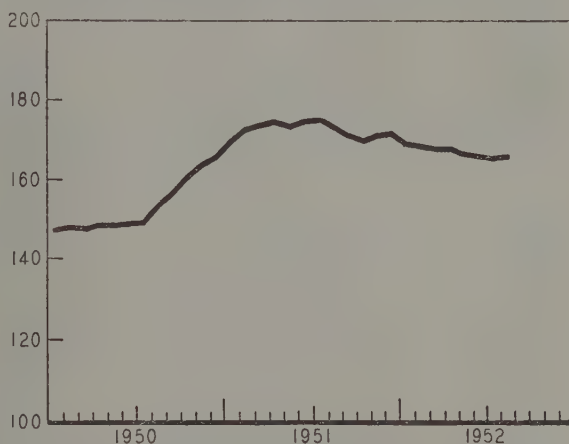
Food prices advanced 0.2% over the month. Pork prices continued their seasonal rise, accentuated by the fact that the national pig crop is 9% smaller than last year. Chicken cost more in August, as decreased broiler production and higher feed costs (resulting from drought damage to corn crops) boosted poultry prices across the nation. Weather conditions can also be blamed for a rise in prices of eggs. Long spells of hot weather seriously cut egg production. Butter, margarine, potatoes, spinach, lettuce and canned corn were other items which registered notable advances, while prices of flour, sweet potatoes, cabbage and apples dipped.

Fuel, housing and sundries continued to move up, rising 0.7%, 0.4% and 0.3%, respectively. Rent controls will end on September 30 in a number of localities, which means that further increases in the housing

component are in prospect. The clothing index has been decreasing steadily for the past eleven months. Apparel prices continued to fall, dropping 0.1% during the month. Prices of women's nylon hose were lower, as sales continued slow. And men's workshoes were marked down.

### Recent Movements in Prices of Housefurnishings

Index Numbers, January 1939=100



Source: THE CONFERENCE BOARD

Purchasing value of the consumers' dollar was 54.7 cents in August (January, 1939 dollar=100 cents)—0.4% below last month's figure and 3.4% lower than in August, 1951.

### EMPLOYMENT

Employment in nonagricultural industries in August, according to estimates of the Department of Labor, reached the highest level since 1950. The estimated total of 55.4 million compares with a total of 54.6 million in July and 54.9 million a year ago. The rise in nonagricultural employment has been steady since February.

Additional supplies of metals for civilian uses and an increase in consumer demand were cited as major reasons for the employment increase.

Over-all employment was up 0.2% in July, according to the Department of Labor. The estimated number of unemployed declined from 1.9 million in July to 1.6 million in August. With the exception of a two-

(Continued on page 404)

# Consumers' Price Indexes for Cities Surveyed Monthly

NOTE: These indexes do NOT show intercity differences in price level or standards of living. They show only changes in consumers' prices in each city, which changes may be compared with those for other cities.

City	Index Numbers Jan., 1959 = 100			Percentage Changes		City	Index Numbers Jan., 1959 = 100			Percentage Changes	
	Aug. 1952	July 1952	Aug. 1951	July 1952 to Aug. 1952	Aug. 1951 to Aug. 1952		Aug. 1952	July 1952	Aug. 1951	July 1952 to Aug. 1952	Aug. 1951 to Aug. 1952
<b>Birmingham</b>						<b>Indianapolis</b>					
Food.....	245.8	240.9	235.0	+2.0	+4.6	Food.....	256.4	253.6	242.5	+1.1	+5.7
Housing <sup>1</sup> .....	160.9	160.9	152.0	0	+5.9	Housing <sup>1</sup> .....	123.0	123.0	121.2	0	+1.5
Clothing.....	152.1	152.2 <sup>r</sup>	156.4	-0.1	-2.7	Clothing.....	143.7	144.0	149.6	-0.2	-3.9
Fuel <sup>4</sup> .....	151.2	150.9	130.0	+0.2	+0.9	Fuel <sup>4</sup> .....	156.6	156.8	154.4	-0.1	+1.4
Housefurnishings.....	170.9	171.3	174.2	-0.2	-1.9	Housefurnishings.....	159.9	157.0	165.1	+1.8	-3.1
Sundries.....	154.7	154.5	145.7	+0.1	+6.2	Sundries.....	177.8	177.9	170.5 <sup>r</sup>	-0.1	+4.3
Weighted total.....	181.4	179.9	174.5	+0.8	+4.0	Weighted total.....	185.1	184.2	179.5 <sup>r</sup>	+0.5	+3.1
<b>Boston</b>						<b>Los Angeles</b>					
Food.....	235.7	234.0 <sup>r</sup>	221.4	+0.7	+6.5	Food.....	237.8	237.5 <sup>r</sup>	230.1	+0.1	+3.3
Housing <sup>1</sup> .....	129.5	128.9	117.9	+0.5	+9.8	Housing <sup>1</sup> .....	143.0	143.0	141.6	0	+1.0
Clothing.....	136.2	136.7	144.8	-0.4	-5.9	Clothing.....	142.2	142.3	146.1	-0.1	-2.7
Fuel <sup>4</sup> .....	173.3	172.4	160.2	+0.5	+4.3	Fuel <sup>4</sup> .....	101.1	101.1	97.7	0	+3.5
Housefurnishings.....	155.9	156.1 <sup>r</sup>	165.5	-0.1	-5.8	Housefurnishings.....	158.9	158.6	171.2	+0.2	-7.2
Sundries.....	165.9	166.0	163.3	-0.1	+1.6	Sundries.....	170.2	170.2 <sup>r</sup>	162.4	0	+4.8
Weighted total.....	181.0	180.3 <sup>r</sup>	173.5	+0.4	+4.3	Weighted total.....	179.0	178.9	174.8	+0.1	+2.4
<b>Chicago</b>						<b>New Orleans</b>					
Food.....	255.9	254.3	240.3	+0.6	+3.9	Food.....	256.3	252.2	240.5	+1.6	+6.8
Housing <sup>1</sup> .....	138.6	138.6	127.3	0	+4.9	Housing <sup>1</sup> .....	130.8	130.8	122.8	0	+7.0
Clothing.....	146.4	146.9	152.2	-0.3	-3.8	Clothing.....	157.3	157.8	160.4	-0.3	-1.9
Fuel <sup>4</sup> .....	118.0	118.1	116.9	-0.1	+0.9	Fuel <sup>4</sup> .....	92.5	92.5	91.3	0	+1.3
Housefurnishings.....	160.5	160.5	162.6	0	-1.3	Housefurnishings.....	174.3	170.4	179.4	+2.3	-2.8
Sundries.....	176.5	174.9	173.1 <sup>r</sup>	+0.9	+2.0	Sundries.....	148.8	148.5	145.8	+0.2	+2.1
Weighted total.....	186.4	185.5	181.6 <sup>r</sup>	+0.5	+2.0	Weighted total.....	185.4	183.7	177.8	+0.9	+4.8
<b>Denver</b>						<b>New York</b>					
Food.....	230.8	242.4 <sup>r</sup>	227.6	-1.1	+5.4	Food.....	230.1	231.7	221.0	-0.7	+4.1
Housing <sup>1</sup> .....	128.2	128.2	128.2	0	0	Housing <sup>1</sup> .....	107.1	106.1	105.6 <sup>r</sup>	+0.9	+1.4
Clothing.....	163.0	162.8	167.6	+0.1	-2.7	Clothing.....	152.4	152.4	152.8	0	-0.3
Fuel <sup>4</sup> .....	103.6	103.6	108.2	0	-4.3	Fuel <sup>4</sup> .....	134.0	131.3	132.4	+2.1	+1.2
Housefurnishings.....	160.1	162.2	167.0	-1.3	-4.1	Housefurnishings.....	162.9	162.8	170.9	+0.1	-4.7
Sundries.....	153.7	159.3	155.4 <sup>r</sup>	-3.5	-1.1	Sundries.....	175.7	175.3	166.3	+0.2	+5.7
Weighted total.....	173.8	170.4 <sup>r</sup>	171.6 <sup>r</sup>	-1.5	+1.3	Weighted total.....	175.7	175.9	170.1	-0.1	+3.3
<b>Detroit</b>						<b>Philadelphia</b>					
Food.....	254.9	252.2	237.3	+1.1	+7.4	Food.....	233.3	229.3 <sup>r</sup>	219.5	+1.7	+6.3
Housing <sup>1</sup> .....	130.6	130.6	121.8	0	+7.2	Housing <sup>1</sup> .....	117.7	117.7	111.8	0	+5.3
Clothing.....	147.4	148.4	157.8	-0.7	-6.6	Clothing.....	142.4	143.0	146.1	-0.4	-2.5
Fuel <sup>4</sup> .....	160.0	159.8	158.4	+0.1	+1.0	Fuel <sup>4</sup> .....	153.6	152.8 <sup>r</sup>	156.7	+0.5	-2.0
Housefurnishings.....	168.2	168.4	175.0	-0.1	-3.9	Housefurnishings.....	178.9	179.4	186.1	-0.3	-3.9
Sundries.....	179.1	179.1	175.2	0	+2.2	Sundries.....	177.6	177.7	162.9 <sup>r</sup>	-0.1	+9.0
Weighted total.....	186.8	186.1	180.0	+0.4	+3.8	Weighted total.....	182.4	181.1 <sup>r</sup>	173.7 <sup>r</sup>	+0.7	+5.0

Source: THE CONFERENCE BOARD

<sup>1</sup> Rents surveyed January, April, July, October.

<sup>2</sup> Rents surveyed February, May, August, November.

<sup>3</sup> Rents surveyed March, June, September, December.

<sup>4</sup> Includes electricity and gas.

<sup>r</sup> Revised.

\*Full title: "Index of Quoted Retail Prices for Consumers' Goods and Services Purchased by Moderate-Income Families."

## Consumers' Price Index for Ten United States Cities, and Purchasing Value of Dollar

Index Numbers, January, 1959 = 100

Date	Weighted Average of All Items	Food	Housing <sup>1</sup>	Clothing			Fuel <sup>2</sup>			House- furnish- ings	Sundries	Purchasing Value of the Dollar
				Total	Men's	Women's	Total	Electricity	Gas			
1951 August.....	174.8	229.4	117.8	152.0	169.0	137.6	131.6	89.8	103.7	171.3	166.6	57.2
September.....	175.5	230.6 <sup>a</sup>	118.4	153.5	170.2	139.4	132.1	89.8	103.7	170.2	166.4	57.0
October.....	176.0	232.1	118.8	153.6	170.8	139.2	132.5	89.8	103.7	169.2	166.3	56.8
November.....	178.2	236.8 <sup>b</sup>	119.9	152.7	169.3	138.7	132.7	89.8	103.7	169.7	167.9	56.1
December.....	178.8	236.7 <sup>c</sup>	120.3	152.1	168.9	138.0	132.0	89.8	103.7	169.9	170.3	55.9
Annual average.....	174.5	229.3	116.9	152.2	168.3	138.7	131.7	89.8	103.7	170.3	166.3	57.3
1952 January.....	179.0	237.5	120.9	151.2	167.3	137.5	133.1	90.0	103.7	168.6	170.1	55.9
February.....	176.3	230.7 <sup>d</sup>	121.1	150.1	166.3	136.5	133.0	90.0	103.7	168.3	169.0	56.7
March.....	176.7	231.0 <sup>e</sup>	121.2	149.8	166.0	136.1	133.2	90.0	104.3	167.0	170.1	56.6
April.....	178.4	234.3	121.4	149.7	165.8	136.1	133.3	90.0	104.9	166.9	172.1	56.1
May.....	178.9	236.0 <sup>f</sup>	121.5	149.4	165.2	136.1	130.6	90.0	104.8	165.5	172.2	55.9
June.....	179.0	237.0 <sup>g</sup>	121.5	148.8	164.7	135.4	130.9	90.0	104.8	165.0	172.3	55.9
July.....	180.4	239.8	121.7	148.5	164.6	135.0	131.7 <sup>r</sup>	90.0	104.8	164.3	173.6	55.4
August.....	180.8	240.4 <sup>h</sup>	122.1	148.2	164.3	134.7	132.0	92.2	104.8	164.4	174.0	55.3

Percentage Changes

July 1952 to Aug. 1952.....	+0.2	+0.3	+0.3	-0.2	-0.2	-0.2	+0.9	+2.4	0	+0.1	+0.2	-0.2
Aug. 1951 to Aug. 1952.....	+3.4	+4.8	+3.7	-2.5	-2.8	-2.1	+1.0	+2.7	+1.1	-4.0	+4.4	-3.3

<sup>1</sup> Rents surveyed quarterly in individual cities

<sup>2</sup> Includes electricity and gas

<sup>a</sup> Based on food prices for Sept. 17, 1951

<sup>b</sup> Based on food prices for Nov. 14, 1951

<sup>c</sup> Based on food prices for Dec. 12, 1951

<sup>d</sup> Based on food prices for Feb. 13, 1952

<sup>e</sup> Based on food prices for March 12, 1952

<sup>f</sup> Based on food prices for May 14, 1952

<sup>g</sup> Based on food prices for June 16, 1952

<sup>h</sup> Based on food prices for August 13, 1952.

<sup>r</sup> Revised

## Consumers' Price Indexes for Cities Surveyed Quarterly

NOTE: These indexes do NOT show intercity differences in price level or standards of living. They show only changes in consumers' prices in each city, which changes may be compared with those for other cities.

	Index Numbers Jan., 1959 = 100			Percentage Changes			Index Numbers Jan., 1959 = 100			Percentage Changes	
	Aug. 1952	May 1952	Aug. 1951	May 1952 to Aug. 1952	Aug. 1951 to Aug. 1952		Aug. 1952	May 1952	Aug. 1951	May 1952 to Aug. 1952	Aug. 1951 to Aug. 1952
<b>Akron</b>						<b>Richmond</b>					
Food.....	250.8	249.4 <sub>r</sub>	234.4	+0.6	+7.0	Food.....	275.1	263.5 <sub>r</sub>	261.6	+4.4	+5.2
Housing.....	132.3	132.3 <sub>r</sub>	130.3	0	+1.5	Housing.....	129.6	128.8 <sub>r</sub>	128.0	+0.6	+1.3
Clothing.....	151.5	151.6	158.3	-0.1	-4.3	Clothing.....	153.2	154.5	164.2	-0.8	-6.7
Fuel <sup>1</sup> .....	156.0	156.0	155.8	0	+0.1	Fuel <sup>1</sup> .....	137.0	134.2 <sub>r</sub>	134.0	+2.1	+1.6
Housefurnishings.....	147.3	148.3 <sub>r</sub>	150.3	-0.7	-2.0	Housefurnishings.....	167.3	169.8	176.5	-1.5	-5.2
Sundries.....	170.8	168.9	158.6	+1.1	+7.7	Sundries.....	150.0	149.0	141.8	+0.1	+5.8
Weighted total.....	183.4	182.5	175.5	+0.5	+4.5	Weighted total.....	182.9	179.4	177.7	+2.0	+2.0
<b>Chattanooga</b>						<b>Rochester</b>					
Food.....	249.5	239.1	235.8	+4.3	+5.8	Food.....	252.6	248.6	238.6	+1.6	+5.9
Housing.....	143.7	143.7 <sub>r</sub>	141.5	0	+1.6	Housing.....	130.1	130.0	130.1	+0.1	0
Clothing.....	134.8	135.8 <sub>r</sub>	141.7 <sub>r</sub>	-0.7	-4.9	Clothing.....	151.9	152.7	154.4	-0.5	-1.6
Fuel <sup>1</sup> .....	130.8	131.0	130.2	-0.2	+0.2	Fuel <sup>1</sup> .....	178.2	177.1	177.0	+0.6	+0.7
Housefurnishings.....	122.6	123.5 <sub>r</sub>	128.8	-0.7	-4.8	Housefurnishings.....	189.7	190.7 <sub>r</sub>	198.4	-0.5	-4.4
Sundries.....	155.4	163.0	149.4	+1.6	+4.0	Sundries.....	181.2	176.5	170.2	+2.7	+6.5
Weighted total.....	176.7	172.9	171.1 <sub>r</sub>	+2.2	+3.3	Weighted total.....	188.3	185.9 <sub>r</sub>	181.8	+1.3	+3.6
<b>Cincinnati</b>						<b>St. Louis</b>					
Food.....	246.4	242.1 <sub>r</sub>	234.0	+1.8	+5.3	Food.....	248.0	241.6	233.7	+3.0	+6.5
Housing.....	131.3	131.3	128.4	0	+2.3	Housing.....	132.6	129.4	129.4	+2.5	+2.5
Clothing.....	160.0	161.0	164.1	-0.6	-2.5	Clothing.....	145.0	145.4	149.5	-0.3	-3.0
Fuel <sup>1</sup> .....	149.5	149.0	149.4	+0.3	+0.1	Fuel <sup>1</sup> .....	151.9	152.2	148.9	0.2	+2.0
Housefurnishings.....	160.0	159.8 <sub>r</sub>	165.3	+0.1	-3.2	Housefurnishings.....	150.7	157.4	169.4	-0.4	-7.5
Sundries.....	168.5	168.5	164.0	0	+2.7	Sundries.....	168.8	167.8	159.1 <sub>r</sub>	+0.6	+6.1
Weighted total.....	185.0	183.7 <sub>r</sub>	180.0	+0.7	+2.8	Weighted total.....	185.2	182.1	177.7 <sub>r</sub>	+1.7	+4.2
<b>Dallas</b>						<b>San Francisco-Oakland</b>					
Food.....	246.3	241.0	236.9	+2.2	+4.0	Food.....	251.2	238.1	237.6	-0.8	+5.7
Housing.....	173.2	173.2	171.9	0	+0.8	Housing.....	117.7	117.0	116.2	+0.6	+1.3
Clothing.....	153.1	153.7	155.8	-0.4	-1.7	Clothing.....	157.2	158.9	164.9	-1.1	-4.7
Fuel <sup>1</sup> .....	93.0	93.0	93.0	0	0	Fuel <sup>1</sup> .....	104.5	104.5 <sub>r</sub>	100.8	0	+3.7
Housefurnishings.....	151.9	155.1	160.6	-2.1	-5.4	Housefurnishings.....	167.2	168.1 <sub>r</sub>	169.6	-0.5	-1.4
Sundries.....	169.8	169.5	165.0 <sub>r</sub>	+0.2	+2.9	Sundries.....	178.4	171.4	165.6	+4.1	+7.7
Weighted total.....	183.3	182.1	179.9 <sub>r</sub>	+0.7	+1.9	Weighted total.....	185.8	184.3	178.0	+0.8	+4.4
<b>Duluth</b>						<b>Wilmington</b>					
Food.....	248.4	242.2	236.6	+2.6	+5.0	Food.....	223.3	214.0	207.4	+3.0	+7.7
Housing.....	132.0	131.7	131.7	+0.2	+0.2	Housing.....	136.9	134.1	128.8	+2.1	+6.3
Clothing.....	158.5	160.4	166.2	-1.2	-4.6	Clothing.....	151.0	151.5	160.3	-0.3	-5.8
Fuel <sup>1</sup> .....	153.0	152.8	149.3	+0.1	+2.5	Fuel <sup>1</sup> .....	129.6	127.5	129.8	+1.0	-0.2
Housefurnishings.....	181.5	182.2	191.7	-0.4	-5.3	Housefurnishings.....	178.7	179.2	184.0	-0.3	-2.0
Sundries.....	167.0	164.3 <sub>r</sub>	159.7	+1.6	+4.6	Sundries.....	163.1	162.9	151.5 <sub>r</sub>	+0.1	+7.7
Weighted total.....	186.8	184.2 <sub>r</sub>	181.6	+1.4	+2.0	Weighted total.....	177.2	173.7	168.9 <sub>r</sub>	+2.0	+4.9

SOURCE: THE CONFERENCE BOARD.

<sup>1</sup> Includes electricity and gas.

<sub>r</sub> Revised.

## Consumers' Price Index for Thirty-nine Cities, and Purchasing Value of the Dollar

Index Numbers, January, 1939 = 100

Date	Weighted Average of All Items	Food	Housing <sup>1</sup>	Clothing			Fuel <sup>2</sup>			House- furnish- ings	Sundries	Purchasing Value of the Dollar
				Total	Men's	Women's	Total	Electricity	Gas			
<b>1951 August.....</b>	176.6	232.7	122.0	155.1	173.5	139.5	134.2	90.9	101.4	172.2	165.1	56.0
September.....	177.1	233.5 <sub>a</sub>	122.3	156.6	174.9	141.0	134.8	90.9	101.7	170.9	165.1	56.5
October.....	177.6	235.0	122.7	156.3	175.0	140.6	135.1	90.9	101.7	169.8	164.9	56.3
November.....	179.7	239.8 <sub>b</sub>	123.8	155.1	173.2	139.8	135.5	90.8	102.0	170.4	166.5	55.6
December.....	180.2	239.5 <sub>c</sub>	124.0	154.6	172.7	139.2	135.8	91.0	102.0	170.6	168.5	55.5
Annual average.....	176.2	232.5	120.8	155.0	172.6	140.1	134.4	90.9	101.4	171.7	164.5	56.8
<b>1952 January.....</b>	180.3	240.3	124.5	153.7	171.2	138.8	135.9	91.2	102.1	169.1	168.1	55.5
February.....	177.7	233.9 <sub>d</sub>	124.5	152.7	170.2	137.9	135.8	91.1	102.1	168.7	166.9	56.3
March.....	178.2	234.4 <sub>c</sub>	124.5	152.3	169.9	137.4	135.9	91.1	102.7	167.5	168.2	56.1
April.....	179.9	237.8	124.7	152.1	169.6	137.3	135.9	91.3	103.1	167.5	170.4	55.6
May.....	180.6	240.1 <sub>f</sub>	124.9	151.7	169.0	137.1	135.4	91.4	102.9	166.1	170.7	55.4
June.....	180.8	240.5 <sub>g</sub>	124.9	151.0	168.3 <sub>r</sub>	136.2	133.9	91.4	102.9	165.6	171.1	55.3
July.....	182.3	243.2	126.1	150.7	168.2	135.9	134.9	91.4	102.8 <sub>r</sub>	164.9	172.5	54.9
August.....	182.7	243.8 <sub>h</sub>	126.6	150.5	167.9	135.7	135.8	93.3	102.8	165.0	173.0	54.7
Percentage Changes												
July 1952 to Aug. 1952....	+0.2	+0.2	+0.4	-0.1	-0.2	-0.1	+0.7	+2.1	0	+0.1	+0.3	-0.4
Aug. 1951 to Aug. 1952....	+3.5	+4.8	+3.8	-3.0	-3.2	-2.7	+1.2	+2.6	+1.4	-4.2	+4.8	-3.4

<sup>1</sup> Rents surveyed quarterly for individual cities.

<sup>2</sup> Includes electricity and gas.

<sub>a</sub> Based on food prices for Sept. 17, 1951.

<sub>b</sub> Based on food prices for Nov. 14, 1951.

<sub>c</sub> Based on food prices for Dec. 13, 1951.

<sub>d</sub> Based on food prices for Feb. 13, 1952.

<sub>e</sub> Based on food prices for Mar. 12, 1952.

<sub>f</sub> Based on food prices for May 14, 1952.

<sub>g</sub> Based on food prices for June 16, 1952.

<sub>h</sub> Based on food prices for Aug. 13, 1952.

<sub>r</sub> Revised.

## Review of Labor Statistics

(Continued from page 401)

month period starting in June, 1952, unemployment has decreased steadily since August, 1951.

Among agricultural workers there was the usual seasonal employment decline. From 7.6 million in July, employment dropped to 7.0 million in August. Also, the trend to nonagricultural employment is still evident. In August of last year, a total of 7.7 million agricultural workers was reported.

### LABOR TURNOVER

Labor turnover was up in July over the previous month. Approximately 4.7 out of every one hundred employees left their jobs as compared with 3.9 in every hundred in June. However, the rates for discharges (just one of the factors that make up the total separations category) in the durable goods industry were lower. Discharges in the nondurable goods industry were slightly higher in July, but the total number of separations remained about the same.

The average work week of production workers in manufacturing plants was slightly lower in mid-July as compared with the previous month. It averaged 39.9 hours according to the Department of Labor's Bureau of Labor Statistics. The decline was attributed to vacation shutdowns. Curtailed activities in many metal-working plants because of diminishing steel supplies was also cited as a factor. Decreases of one to two hours in the work week were reported heavy in primary metals, transportation equipment, ordinance, machinery and electrical machinery groups.

### WAGE SETTLEMENTS

The Board this month confirmed forty-eight wage adjustments reported in the press from July 15 to August 15. Most of these provided for wage increases ranging from 3 cents to 13 cents an hour. The majority of agreements in this group fell into the 5 cents to 12 cents range. Three settlements called for new benefits or a change to a wage-incentive system. Increases to salaried employees were for the most part on a percentage basis. Only eight wage settlements had approval of the WSB.

The number of workers affected by these wage and salary settlements totaled more than 145,000. The largest number of workers covered by a single contract was the 52,000 employees of the Southwestern Bell Telephone Company, represented by the CIO Communications Workers of America. Their average weekly increment came to \$3.86.

Some significant settlements were:

The Radio Corporation of America, RCA Victor Division, granted an increase of 6.5 cents an hour, or 5%, whichever is greater to 2,150 members of the Inter-

national Brotherhood of Electrical Workers, AFL. New benefits permit two days off with pay in case of death in the immediate family. Both of these are subject to WSB approval. Prior to the settlement, the minimum wage rate was \$1.10, effective September 24, 1951. The new adjustment became effective on September 26, 1952.

The Sinclair Oil Corporation granted an increase of 15 cents an hour to approximately 10,000 workers. This increase is retroactive to May 1, 1952. Additional fringe benefits were increased holiday pay, sick leave, and vacations. The adjustment is subject to WSB approval. The average wage rate prior to the settlement was \$2.06 an hour.

The Farrel-Birmingham Company, Inc. gave a 12 cents an hour increase to 450 members of The United Steel Workers, CIO. This increase is retroactive to April 1, 1952, and has WSB approval. New benefits offer three-week vacations after fifteen instead of twenty-five years; free safety shoes (limited number per person) where formerly employees had paid half; and four hours call-in pay at applicable rate instead of straight time at base rate. The date for wage reopening is March 31, 1953.

THOMAS A. FITZGERALD  
VIRGINIA M. BOSCHEN  
Statistical Division

## Employee Communications

(Continued from page 387)

- Assignment of responsibility<sup>1</sup>
- Open channels of communication
- The right media, well used
- Broad-scale, continuous program
- Active participation on the part of all concerned.

A few years ago when Henry Ford II was cited by the National Council of Christians and Jews for his "contribution to the cause of brotherhood and understanding among men" he replied: "The first requirement of good human relations is to *want* good relations." He might just as well have been talking about good communication. Neither good human relations nor good communication, which are so closely interrelated, are likely to develop without a desire for them—and unless there is planning and continuous effort to achieve them.

STEPHEN HABBE  
Division of Personnel Administration

<sup>1</sup> While operating responsibility for communication may be given one individual, all management personnel are necessarily involved.

# Wage Adjustments Announced Prior to September 15, 1952

Company	Type of Worker <sup>1</sup>	Increase			Remarks
		Amount	Date Effective	Number Affected	
<i>Chemicals and Allied Products</i>					
American Viscose Corp. .... Fredericksburg, Va.	WE	\$.05 hr.	1-1-52	2,100	Wage adjustment granted under GWR 8. WSB approval received for benefits covering hospitalization, health and life insurance, holiday pay and reduced periods for automatic promotion. Contract expires 1-1-53. (Textile Workers Union, CIO)
	S	\$104 yr.	1-1-52	500	Same as wage earners. (No union)
Eagle-Picher Mining & Smelting Co. ... Galena, Ill.	WE	\$.03 hr.	4-22-52	125	Previous hourly minimum \$1.445. WSB approval required for adjustment and for shift premiums of 4 and 8¢, as well as for 4 hour guarantee call in and report pay. Wage reopening 1-15-53, contract expires 10-1-53. (Dist. 50, UMW, ind.)
Mountain Copper Company ..... Martinez, Calif.	WE	\$1.332 hr. average	5-15-52	53	Subject to WSB approval. Average wage rate prior to settlement, \$1.776 an hour. Wage reopening 5-31-53. Date of settlement 6-4-52. (Int'l Union of Mine, Mill and Smelter Workers, ind.)
Sherwin Williams Company ..... Cleveland, Ohio	WE	\$.07 hr.	7-1-52	424	New benefits of jury pay and funeral leave subject to WSB approval, as is 4¢ of adjustment. Contract tenure two years. (Dist. 50, UMW, ind.)
Whitehall Pharmacal Company ..... Bergenfield, N. J.	WE	\$.127 hr. average	6-13-52	39	Subject to WSB approval. Four days sick leave pay after one day waiting period. Warehouse hourly employees have 2 year contract; office employees one year contract. One cent of increase was inequity adjustment. (United Gas, Coke and Chemical Workers, CIO)
<i>Electrical Machinery, Equipment and Supplies</i>					
O'Keefe & Merritt ..... Los Angeles, Calif.	WE	\$.12 hr.	11-21-51	1,238	Fringe benefits subject to WSB approval. Date of settlement 4-21-52. Additional holiday and increase of 4¢ on shift differential. Wage reopening 11-21-52. Previous average wage rate \$1.57 an hour. Six unions represented. (Metal Trades Council of Southern Calif., AFL)
Radio Corporation of America ..... RCA Victor Division Lancaster, Pa.	WE	see remarks	5-26-52	2,150	Raise is \$.065 an hour, or 5%, whichever is greater. New benefits permit two days off with pay in case of death in immediate family. Both subject to WSB approval. Prior to settlement, minimum hourly rate was \$1.10, effective 9-24-51. (Int'l Brotherhood of Electrical Workers, AFL)
<i>Fabricated Metal Products</i>					
Finklestein Supply Company ..... Los Angeles, Calif.	WE	\$.10 hr.	7-1-52	28	Subject to WSB approval. Prior to settlement average hourly rate was \$1.679, effective 7-1-51. Next wage reopening 7-1-53. (Int'l Ass'n of Bridge, Structural & Ornamental Iron Workers, AFL)
Goulds Pumps, Inc. .... Seneca Falls, N. Y.	WE	\$.16 hr.	3-3-52	700	Previous minimum wage was \$1.06 an hour. Contract runs until 12-52. Subject to WSB approval. (United Steelworkers, CIO)
	S	10%	3-3-52	150	Subject to WSB approval. Previous minimum was \$.93 an hour, effective 12-50. (No union)
Presto Lock Company ..... Englewood, N. J.	WE	\$.0725 hr.	7-1-52	403	WSB approved \$.05 across the board, remainder subject to approval. Benefits granted were extra holiday, 3 days leave with pay in case of death in family, pay difference while serving as juror, 3 weeks vacation after 15 years. Contract expires 7-1-54. (Int'l Union of Electrical, Radio & Machine Workers, CIO)
<i>Furniture and Fixtures</i>					
Durham Manufacturing Corp. .... Muncie, Ind.	WE	\$.125 hr.	7-1-52	371	Six days lost due to work stoppage. WSB approval required for increase and 3 additional paid holidays. Prior minimum wage rate of \$1.14 an hour went into effect 1-1-52, with reopening negotiations dated 6-1-52. Contract expires 6-1-53. (United Steelworkers, CIO)
<i>Food and Kindred Products</i>					
F. W. Cook Company, Inc. .... Evansville, Ind.	WE	\$.07 hr.	6-10-52	203	Prior to settlement average hourly wage rate was \$1.68 an hour effective 6-10-51. Adjustment includes 2¢ an hour bonus, payable at rate of one cent effective 12-25-52 and 6-10-53. Wage reopening 6-10-53. (Int'l Union of United Brewery, Flour, Cereal, Soft Drink & Distillery Workers, CIO)

# Wage Adjustments Announced Prior to September 15, 1952—Continued

Company	Type of Worker <sup>1</sup>	Increase			Remarks
		Amount	Date Effective	Number Affected	
Kingsbury Breweries Company . . . . . Cincinnati, Ohio	WE	\$ .085 hr.	5-1-52	108	Approved by WSB. Average wage rate prior to settlement, \$1.58 an hour, effective 5-1-51. Wage reopening 5-1-53. (Int'l Union of United Brewery, Flour, Cereal, Soft Drink & Distillery Workers, CIO)
Jacob Ruppert . . . . . Norfolk, Va.	WE	\$3.35 wk.	7-1-52	60	Fringe benefits of 10¢ an hour differential for second and third shifts, hospitalization coverage for employees' dependents, 3 weeks vacation after 10 years, and Washington's Birthday holiday, all subject to WSB approval. Two year contract with provisions for wage reopening 1-1-53; 7-1-53 and 1-1-54. Previous weekly minimum \$55. (Int'l Union of United Brewery, Flour, Cereal, Soft Drink & Distillery Workers, CIO)
<i>Leather and Leather Products</i>					
Griess-Pleger Tanning Company . . . . . Waukegan, Ill.	WE	\$ .075 hr.	7-20-52	390	Increased weekly accident and health benefits, polio insurance. Wage reopening in one year, contract runs for two years. (Int'l Fur & Leather Workers, Local 204, ind.)
	S	5% approx.	7-20-52	50	Benefits same as above. (No union)
<i>Machinery (Except Electrical)</i>					
Farrel-Birmingham Company, Inc. . . . . Buffalo, N. Y.	WE	\$ .12 hr.	4-1-52	450	WSB approval granted for wage adjustment. New benefits offer 3 weeks vacation after 15 instead of 25 years; limited number of free safety shoes, (formerly employees paid half); 4 hours call-in pay at applicable rate instead of straight time at base rate. Wage reopening 3-31-53. (United Steelworkers, CIO)
	S	10%	4-1-52	150	WSB approval granted for wage adjustment. New benefits offer 3 weeks vacation after 15 instead of 25 years. (No union)
Johnson Gas Appliance Company . . . . . Cedar Rapids, Ia.	WE	\$ .07 hr.	5-19-52	33	Previous average hourly rate was \$1.47. Increase of 3¢ now in effect, 4¢ awaiting approval of WSB. Wage negotiations can be reopened on 60 days' notice. (United Electrical, Radio & Machine Workers, ind.)
Valley Dolomite Corp. . . . . Boone Terre, Mo.	WE	\$ .131 hr. average	7-1-52	90	Previous average hourly wage rate \$1.58 effective 10-13-50. WSB approval granted under GWR 8 for 8¢ per hour. Benefits subject to approval call for 3 days off with pay in case of death in immediate family; sick leave cumulative to 25 days (formerly 15) but only 10 days granted per year; 3 weeks vacation after 15 years (formerly 20); Christmas bonus \$50 after 1 year (formerly \$25). Next negotiation within 2 years but not before 1-1-53. (Int'l Union of Mine, Mill & Smelter Workers, ind.)
<i>Paper and Allied Products</i>					
Afro-American Company . . . . . Baltimore, Md.	WE	\$ .05 hr.	5-19-52	32	Next wage reopening 5-19-53. (United Paperworkers of America, CIO)
Brightwater Paper Company . . . . . Adams, Mass.	WE	\$ .05 hr.	6-1-52	200	Prior settlement with wage earners effective 4-1-52. At that time base for male workers was \$1.21 per hour, \$1.08 for females. Raise dependent on WSB approval. Wage reopening 7-1-53. (Dist. 50, UMW, ind.)
	S	\$ .05 hr.	6-1-52	20	Subject to WSB approval. (No union)
International Paper Company . . . . . Mobile, Ala.	WE	\$ .05 hr.	6-1-52	13,000 approx.	Two cents subject to WSB approval. One extra holiday added. Wage reopening on 60 days' notice by either party. (Int'l Bro. of Paper Makers, AFL; Int'l Bro. of Electrical Workers, AFL; Int'l Bro. of Pulp, Sulphite & Paper Mill Workers, AFL)
New York & Pennsylvania Company, Inc. . . . . Johnsonburg, Pa.	WE	\$ .07 hr.	see remarks	1,160	Of 7¢ total, 4¢ effective 6-1-52 was permissible under GWR 8, but retroactivity to 2-3-52 had to be approved as well as additional 3¢. Prior minimum hourly rate was \$1.28, effective 6-3-51. Benefits granted were third week vacation after 15 years, and 2 more paid holidays. Wage reopening 1-3-53, contract expires 6-3-53. (Dist. 50, UMW, ind.)
The U. S. Playing Card Company . . . . . Cincinnati, Ohio	WE	\$ .035 hr.	5-1-52	n.a.	Subject to WSB approval. Establishment of a formal non-contributory pension plan. Wage reopening 5-1-53. (Playthings, Jewelry & Novelty Workers, Int'l Union, CIO)

# Wage Adjustments Announced Prior to September 15, 1952—Continued

Company	Type of Worker <sup>1</sup>	Increase			Remarks
		Amount	Date Effective	Number Affected	
<b>Petroleum and Allied Products</b>					
Sinclair Oil Corp. .... Interstate	WE	\$1.15 hr.	5-1-52	10,000 approx.	Subject to WSB approval. Increased holiday pay, sick leave and vacations. Wage rate prior to settlement, \$2.06. (Oil Workers Int'l Union, CIO)
The Texas Company ..... Hammond, Ind.	WE	\$1.15 hr.	5-20-52	n.a.	WSB approval has been received. A 4.2% increase on gross earnings covers period from 1-1-52 to 5-19-52. Wage negotiation can be reopened on 30 days' notice. (Oil Workers Int'l Union, CIO)
<b>Public Utilities</b>					
Northwestern Bell Telephone Company Interstate	WE	\$3.59 wk. average	8-10-52	20,077	Of the maximum, \$2.75 is available under GWR 8, \$2.92 subject to WSB approval. Prior to settlement, minimum wage in smallest town was \$33 wk., effective 8-10-51. Fringe benefits, subject to WSB approval, involve increase in night shift differential. Contract expires 8-12-53. (Communications Workers of America, CIO)
The Peoples Gas Light and Coke Company ..... Chicago, Ill.	WE	\$1.153 hr.	5-1-52	2,297	Approved by WSB. Reduced life insurance premiums, increased hospitalization insurance premiums. One year contract ending 4-30-53. (Gas Workers Union, AFL)
	S	\$6.36 wk.	5-1-52	1,165	No union.
Southwestern Bell Telephone Company Interstate	WE	\$3.68 wk. average	7-6-52	52,000	Prior to settlement, minimum wage rate of company's five wage schedules was \$33 per week, effective 6-4-51. WSB approval has been obtained for settlement, which is to run until 7-6-53. (Communications Workers of America, CIO)
Toledo Edison Company ..... Toledo, Ohio	WE	6%	6-1-52	1,027	WSB approval required for 5.2% of raise, also for shift bonus increase to 4¢ from 3¢, 3 weeks vacation after 15 instead of 20 years, and extra day or pay if holiday falls within vacation. Funeral leave provision extended to include stepmother and stepfather. Previous minimum wage \$1.23, effective 12-10-51. Contract runs to 6-1-53. (Int'l Brotherhood of Electrical Workers, AFL)
Washington Gas Light Company .... Washington, D. C.	WE	\$1.10 hr.	6-1-52	1,350	WSB approval required for 5¢ of 10¢, also for Presidential Inauguration Day as holiday, Sunday premium pay of 50¢ instead of 35¢; 3 weeks vacation after 10 instead of 12 years, and fourth week after 25 years. Approval granted for personal daily hospitalization benefit increase to \$11 from \$9 and personal surgical operation from \$225 to \$250. Previous minimum wage rate was \$1.20, effective 4-2-51. Of total workers, 230 settled 6-12-52, 1,120 6-20-52. Contract runs to 6-1-53. (Int'l Chemical Workers Union, AFL)
	S	\$17 mo.	6-1-52	500	Same fringe benefits as above; WSB approval required for \$8 of \$17. Previous minimum per month \$221 effective 4-2-51. Contract expires 6-1-53. (Office Employees Int'l Union, AFL)
<b>Rubber Products</b>					
General Tire and Rubber Company .. Akron, Ohio	WE	\$1.10 hr.	8-11-52	3,000	Subject to WSB approval. Previous minimum hourly wage effective 10-15-51, was \$1.38 for males, \$1.23 for females. Contract expires 3-1-53, wage reopening on 30 days notice. (United Rubber, Cork, Linoleum & Plastic Workers, CIO)
	S	5%	8-1-52	1,200	Subject to WSB approval. (No union)
<b>Services—Miscellaneous Repair</b>					
St. Louis Typewriter Company ..... St. Louis, Mo.	WE	\$1.06 hr.	9-1-52	7	Prior minimum wage rate 85¢ an hour, effective 6-30-48. Fringe benefits granted were 2 weeks vacation, 7 holidays, 2 weeks sick leave. Contract runs till 8-31-53. Wage reopening on 60 days' notice. (Int'l Ass'n of Machinists, AFL)
<b>Stone, Clay and Glass</b>					
Alpha Portland Cement Company .. Easton, Pa.	WE	\$1.12 hr. average	4-1-52	295	Subject to WSB approval. Six paid holidays. Increased shift differentials from 4¢ and 6¢ to 6¢ and 9¢ on second and third shifts. Contract ends 4-1-53. (United Cement, Lime & Gypsum Workers Int'l Union, AFL)

## Wage Adjustments Announced Prior to September 15, 1952—Continued

Company	Type of Worker <sup>1</sup>	Increase			Remarks
		Amount	Date Effective	Number Affected	
United Brick & Tile Company . . . . . Harrisonville, Mo.	WE	\$.05 hr.	6-15-52	n.a.	WSB approval pending on 3¢; remaining 2¢ is cost of living adjustment. (Dist. 50, UMW, ind.)
<i>Transportation Equipment</i> Fruehauf Trailer Company . . . . . Fort Wayne, Ind.	WE	\$.07 hr.	6-15-52	37	Not subject to WSB approval. Wage rate prior to settlement \$1.61. Wage reopening 6-15-53. (UAW, AFL)
North American Aviation Corp. . . . . Interstate	WE	\$.10 hr.	see remarks	28,661	Previous hourly minimum \$1.19, effective 10-23-50. Increase effected 9-15-52, retroactive to 4-28-52, but 5¢ subject to WSB approval. Contract expires 10-23-53. (UAW, AFL)

Type of worker: WE, wage earner; S, salaried employee.  
n.a.: Not available.

## Training Salesmen

(Continued from page 383)

### THE TRAINING COURSE

The following examples of training courses are typical of the programs reported. A chemicals firm reports the following break-down of training time in one department:

Salesmanship	49%
Merchandising and distribution information	14
Product knowledge	13
Application of product	11
Advertising and promotion	6
Details of job	6
Competitive information	1
	<hr/> 100%

In a machine tools company, trainees rotate among departments in the plant as follows:

6 months in the production engineering division
6 months in the fixture and cutting tool division
3 months in the shop
9 months in the sales department—devoting this time to making layouts, studying methods of application, estimating, quoting, writing up orders, correspondence and learning sales technique.

Training time in a nonferrous metals firm is broken down:

Fundamental principles of selling	7%
Basic engineering	28
Plant visitations	15
Industry studies	50

And an apparel firm whose salesmen sell to retailers uses the following training:

4 weeks	Class work and tours
2 weeks	Work in retail stores

4 weeks	Work on sales floor in a sales office
6 weeks	Traveling with an experienced salesman-instructor
6 to 10 weeks	Service salesman (filling in staple stock and helping retailers with promotions)

### Duration of Training

Training periods in cooperating firms were reported to range from less than a month to as much as ten years. Probably the most frequently reported training course lasts from six months to two years.

In many cases a relatively short period of time is ample to familiarize salesmen with company products and policies.

A food company for example writes that its "basic training period requires a minimum of two weeks. The men are first thoroughly scheduled in our merchandise, policies and methods; then they accompany an experienced salesman calling on the trade before they are assigned to their own territories." Similarly, in a building materials firm the initial training period covers "a week or ten days" and includes a visit to a company plant.

However, in the case of products which are extremely complex and whose sale requires a great deal of engineering background, training periods frequently extend over a period of years. Such courses usually require that the trainee spend extended periods in each of the company's major departments to absorb product knowledge before doing any active sales work. A general industrial machinery firm writes:

"The training period lasts for three years, and all trainees work in every department of the business. Classroom work occupies only a small proportion of the time used—perhaps 10%. The major part of the course is devoted to an accumulation of product knowledge and technical know-how in this field. Salesmanship training is begun the last six months of the course in the case of those going into the sales department and continues after the completion

of the course. Older men coming into the organization do not take this course, but take a shortened course determined by the experience which they have had before they come to us."

A railroad equipment firm varies the length of training according to the trainee's age when he joins the company. Trainees "should hold a degree in engineering, preferably mechanical" at the outset. Company training lasts approximately 134 months for trainees aged twenty-two to twenty-four; 108 months for those aged twenty-five to twenty-seven, and eighty months for those aged twenty-eight to thirty. The last eighteen months in each case are spent as "assistant to the salesman to be succeeded."

In most companies, however, a period of from six months to two years allows ample time for training in product qualities and applications, salesmanship, and company policies. An example is offered by a steel company that writes:

"The formal training program lasts for approximately one year. Roughly nine months of time is devoted to study of our plants and their products plus concentrated study of the uses made of steel in fabricating plants. Approximately three months of the year are devoted to study of the sales organization, including the service departments that process orders. This portion is very necessary owing to the 'tailor-made' nature of steel production.

"During the time that the men are in the mills, every minute of every day is scheduled in advance. We have selected those of our operating and technical personnel who are most capable of explaining each individual operation. These men are scheduled to spend a specified time with the class. In a typical day the morning will be devoted to a formal lecture followed by questions and answers. In the afternoon the men will go into the plant and observe the actual operations that were covered in the morning's lecture.

"After the class has finished studying each product group from a production standpoint they will actually visit a group of fabricating plants that are using the particular product to study all of the fabricating techniques that are applied to that product by our customers.

"At the end of the first year the class is broken up and the men individually assigned to various district sales offices. They spend a second year in that office as a sales correspondent. During this second year they are for the first time doing useful work for the corporation. However, their work is purely for the purpose of becoming acquainted with the sales territory and its peculiarities, the personnel of the district office, and the order-servicing procedures. At the end of the second year they are assigned to an actual sales territory and contact customers directly as salesmen."

In many cases, companies maintain that it is not necessary to have a fixed training period. The basic training schedule is modified to suit the needs of the individual. Typical of firms in this group is a manufacturer of automobile equipment, who comments:

"In regard to the question as to length of training, this is entirely decided by the needs of individual trainees. We

have had cases of four weeks training. Other periods have lasted for as long as a year and a half."

In the case of a rubber company, the training period is governed by the type of sales position which the trainee will later have. This company reports:

"We have within the company salespeople selling to jobbers, others selling directly to industry, others selling to independent dealers and others who are retail salesmen. The length of initial training for a new person is determined by his particular kind of assignment."

### Participation in Training

In the majority of cooperating firms, training is limited to new men in the sales organization. A substantial minority, however, report training of older salesmen as well. In some cases this training is accomplished through establishment of special refresher courses. In others, senior salesmen participate in courses designed primarily for new men. For example, an executive of a metals firm reports that "while the course was originally intended only for new men, some of the older salesmen have attended whenever possible."

However, an instrument and controls manufacturer has experienced men take advanced sections of individual courses. He says:

"Sales personnel, both new and more experienced, receive regular monthly study material on company philosophy, policies, products and selling techniques. As a part of this activity, over one-hundred study groups meet each month in the field to discuss and summarize the courses and the quiz questions. This training in the field is augmented by sales schools which offer organized group instruction both in the classroom and manufacturing plants. Each school generally covers a two-week period, divided into a basic course the first week and an advanced course the second week. At present, new men usually enroll for two weeks and more experienced men for one week."

A steel company gets maximum benefits from training by using experienced men as trainers. An executive writes: "Our formal training program lasts six months, and while the new men act as students, we use our experienced men to act as teachers, so that the entire organization benefits by the program."

### TRAINING SALES SUPERVISORS

Growing interest is reported by cooperating firms in the training of sales supervisory personnel. Several companies are readjusting training programs for this group or expanding current programs.

At present, however, supervisory training is based largely on either attendance at periodic meetings, on-the-job training or a combination of both rather than by participation in a planned training course. Typical is the following program employed by a heating and plumbing firm:

"The district sales managers have the responsibility of training and developing the sales office managers.

"District sales managers and product division managers report to the general manager of sales, and vice-president of sales. Quarterly meetings of this group are held for the purpose of reviewing past activities and developing future sales programs.

"These procedures have proven very satisfactory in training and developing our supervisory forces."

In an apparel firm, supervisors participate in sales training and in policy-forming meetings.

"Each floor manager, salesman-instructor and office and credit manager who will aid in training the new salesmen will complete a course by the end of September, 1952. A sales manager is in attendance for the first five weeks of each training program. Each is assigned an active part in the training course he attends. Sales managers' meetings are held several times a year to encourage their participation in formulating plans and methods of effectuating the plans. These meetings train the managers in at least two areas. They will gain experience which will prepare them for heavier responsibilities in sales management, including the supervisory function, and they will obtain training in the functions for which they are now responsible."

An industrial machinery firm reports that they have instituted a management development program which includes sales supervisors:

"Just this year, the company has instituted a management development program which includes all district managers and sales supervisory personnel, along with a great many others in different types of work.

"In addition to this, the division employing the vast majority of our salesmen has a monthly managers meeting which is very beneficial.

"Some attempt at coordination of our sales effort is made by our sales committee meeting monthly and consisting (at least in theory) of the sales manager of each of our divisions."

### MEASURING TRAINING RESULTS

Five principal methods of checking training results are reported by cooperating firms:

- Observation of new salesmen in the field
- Sales performance checks
- Written reports and tests
- Use of progress-review forms
- Customer reaction to the salesman

#### Observation of Salesmen

Observation of new salesmen after they have been assigned a territory is by far the most common way of checking training results. When the sales organization is small or when selling requires close contact with top sales or company management, cooperators say this is relatively simple and effective.

In a steel company, observation is concentrated in a two-week period which the trainee spends with six senior salesmen:

"The results of our training are checked by six salesmen

who have been with us for twenty-five years or longer and whom we have chosen as having an aptitude for judging and grading these young men after their training program. The trainee spends about two weeks with these men for a complete check on the progress that was made in our sales training program."

#### Sales Performance Checks

Actual sales produced, in the opinion of many executives, is the best measure of training results. These firms report that they judge a new salesman wholly on the basis of attained sales or on the basis of this factor plus personal observation.

A food company, however, points out that other activities may rank almost as high as sales. Supervisors therefore make a careful check of the entire sales and promotion job that the new salesman has done in his territory:

"Our supervisors as well as our district managers check retail grocery stores for the purpose of determining whether a salesman has accomplished certain specific results such as: improvement of shelf position of our products; increased quantity of our products in the store; shelf space allocated to our products; rotation of our products; appearance of the merchandise in the store and the use of point-of-sale material. Beyond this we check carefully to determine the salesman's ability to sell our advertising and promotion programs to the trade."

And in an oil company, study of sales results is supplemented by frequent counseling of new salesmen

"The results of sales training are ascertained through (1) periodic counseling with sales personnel to determine the benefits they derived from training and their possible need for additional training, and (2) by a study of their sales accomplishments."

#### Written Tests and Reports

Written tests and reports are used by several firms both as a training aid and as a means of checking results. In many companies trainees who are rotated among various departments summarize the work completed periodically. Reports are used to aid management in checking progress and also become reference material for the trainee's use after training is completed. An example is provided by a chemicals firm:

"Trainees have periodic discussions with the heads of the departments in which they are spending time, and they are asked to make reports on the work they are doing. These reports are for their future reference and for the purpose of informing those responsible of the trainee's ability and progress. Study of these reports keeps trainees alert and also enables us to help them."

When classroom instruction is used, periodic written tests are usually required. A food company with an annual sales school describes their testing as follows:

"At the start, each man is given a short examination on a true-false and multiple-choice basis. In this way we

find out at the end of the first day in which department each man has the most knowledge and what his weaknesses are. The results of this test are passed around to the different staff members so that they may know what points to emphasize for certain individuals.

"At the conclusion of the first week, another examination is given which clears their minds so they do not have to worry about taking a final exam covering all subjects at the end of the sessions. Then they start in on the second phase and after another three or four days an examination is given on that subject. The balance of the school is taken up with sales problems, salesmanship and dealer relations and an examination is also given on this.

"Each man is told of his marks in the various examinations, but the marks are not made public to the entire school. At the close of the school, each territory manager is informed by letter how the representatives from his territory got along with the work and how they ranked for the course. He is advised as to what should be done to develop the weak points and what special supervision is deemed advisable for each trainee."

## Other Methods

Several cooperators report use of progress-review forms "for checking performance of new salesmen."<sup>1</sup>

In some companies a method of checking training results is the reaction of customers and older salesmen to the new salesman. A steel company executive says:

"In the main, our final results are measured by the nonsolicited and informal comments received from customers, supervisors, associates and others regarding the men. But that's not even semiscientific, and we recognize that. We'd welcome some more reliable and practical method for qualitatively measuring the results of our training effort."

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<sup>1</sup> Use of such forms is described in detail in "Measuring Sales Performance" *Studies in Business Policy*, No. 31, National Industrial Conference Board.

## Adjustment to Retirement

*(Continued from page 376)*

gram set up by the company includes several activities suitable for elderly people.

The Lockheed Aircraft Corporation's retirement counseling service is headed by a man who has successfully planned his own retirement. An expert in family financial management is on his staff, as well as a medical counselor. Interviews are held at the employees' request. In urging the employees to avail themselves of the counseling service, the company magazine points out that a recent survey of Lockheed employees aged twenty-three to sixty showed that two out of three had made no plans toward retirement, and that a slightly larger proportion had no savings program other than payments on a home or insurance.

The pre-retirement program in effect at several General Electric Company plants begins five years prior to retirement. The personnel manager calls on the employee's supervisors to discuss plans for his retirement, and a supervisor then interviews the employee. Finances are discussed and the employee is encouraged to reveal any interests which might develop into hobbies. If these are such that some expert in the company can help advise him, the employee is put in touch with that person. He also gets a medical check-up to determine how much post-retirement activity he should engage in. Company representatives hold frequent conferences with the employee in the two years preceding his retirement and visit him one month, six months and one year after he has retired.

Thereafter the GE pensioner is visited once a year.

The Mutual Benefit Life Insurance Company gives advice and help to employees who ask for it, but does not initiate personal conferences. This company has a strong program of education for financial security but otherwise puts the emphasis on stimulating employees' individual planning.

The retirement-planning program of the General Foods Corporation includes counseling on the usual subjects and adds a tapering-off feature. In an interview held five years before retirement, the advisability of a gradual decrease in working hours over the next five years is discussed. In another interview held just before retirement the employee is urged to come back often to visit, and is offered company help in developing hobbies or finding part-time work with welfare or educational organizations. After retirement he is visited annually by a company representative.

The retirement-planning program of Pitney-Bowes, Inc., also contains a tapering-off feature whereby the employee receives the normal pay rate for a slower-paced job. The company is now planning an extensive program based on both group and individual counseling.

Perhaps the most highly developed tapering-off feature is that of the William Wrigley, Jr. Company. Under the Wrigley plan every employee who works beyond age sixty-five must take a one-month's leave of absence without pay during the first year, two months during the second year, and so on. When he does retire he receives a larger income, actuarially equivalent to the retirement income which would have

been paid at the normal retirement age of sixty-five. For example, the actuarial equivalent of a \$2,400 annual retirement income at age sixty-five is \$3,000 at age sixty-eight. With the employee's annual pay decreasing every year, and his potential retirement income increasing, there comes a time when he will have a higher income if he retires than he will if he keeps working.

According to the Wrigley Company's personnel director, the company through this procedure "is trying to help these employees get adjusted to a little less income each year, and, perhaps of greater importance,

to wean them away from their work with the hope that they will find other things of interest to occupy their time. Also, during the progressively longer leave of absence periods, younger men will have the opportunity to gradually take on more responsibilities and the company will have a better chance to observe if they can handle them. And last but not least, the company will be able to retain the skill, training and experience of the older employees . . . and do so on an equitable and nondiscriminatory basis."

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